Daily Report

Latin America

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Cuba

Foreign Relations Vice Minister on U.S. Economic Blockade

PA2110123293 Havana Radio Havana Cuba in Spanish 0000 GMT 20 Oct 93

[Report by (Isis Maria Hayes) on a news conference by Ramon Sanchez Parodi, vice minister of foreign relations, in Havana on 19 October; from the "Evening Information Review" newscast]

[Text] Ramon Sanchez Parodi, Cuba's vice minister of foreign relations, stated in Havana that the problems currently plaguing the country are chiefly a result of the economic blockade imposed by the United States against the island over the past 30 years, which has prevented any possibility of development.

During a recent meeting with national and international reporters, Parodi agreed to give concrete examples of some of the effects of the blockade.

[Begin Sanchez Parodi recording] The blockade imposed by the United States against Cuba must be seen not only in terms of percentages but also in terms of its intention to prevent any relationship between our country and any other country in any field or with any company, corporation, or whatever. The United States wants to subject Cuba to a total and complete blockade. The United States intends to deny all economic resources to Cuba, regardless of their nature. All things considered, the U.S. blockade policy is just a form of economic genocide against the Cuban people. That is their real intention.

It is not only important to see what the blockade prevents. We can safely say that from the U.S. point of view, the blockade does not prevent much because from an economic perspective there has not been any relationship between the United States and Cuba for years now. At any rate, it is also important to clearly establish that the United States also wants to and has been able to harm our relations with the rest of the world. Sometimes this can be difficult to measure. In terms of damage to the Cuban economy, we have estimated that the U.S.-imposed blockade represents approximately $40 billion dollars in losses; that is, losses sustained by the Cuban economy as a result of the blockade. [end recording]

In light of the difficult economic situation Cuba is facing and repeated evidence of solidarity from Latin American countries, Sanchez Parodi answered several questions on how the country will continue to encourage that spirit of friendship and cooperation.

[Begin Sanchez Parodi recording] First of all, the best way to help ourselves and the best way to ensure assistance is through a commitment to self-reliance and a willingness to take specific actions to help ourselves. I do not think anyone is willing to help someone who does not try to help himself first and just waits for things to happen. Therefore, I believe that the first strategy of the revolution is to take whatever measures are necessary and to trust in our own resources to defend our independence, sovereignty, and nationality. If we had not been able to do this, we would not have obtained any type of assistance. We have had some positive feedback. Despite the negative campaign originating in the United States to discredit our revolution, especially in Latin America, we feel that solidarity toward Cuba has been growing. This is especially true in the case of Latin America, which has been subjected to all sorts of propaganda against Cuba and the revolution. We see this constantly, not only at the popular or political level, but also through our contacts at an official level. In any case, our strategy is based precisely on efficiently developing our efforts to face the adverse situations we are now confronting. The Cuban people's decision to defend their program will also encourage a feeling of solidarity and support from the rest of the Latin America. We think this is happening already. It is not something that we must wait for the future to see. It is something that we have already been able to ascertain. [end recording]

When asked about the possibility of a deterioration in relations with Mexico and other Latin American countries as a result of the North American Free Trade Agreement [NAFTA], the Cuban foreign relations vice minister said the following:

[Begin Sanchez Parodi recording] I can give you a very concise answer: No. We do not see that possibility. We believe that what could take place with respect to NAFTA does not imply adverse relations between Cuba and Mexico. There are concrete historical precedents. At least this has never been the case. For example, the economic, trade, and financial relations between Cuba and Canada continued normally even though a free trade pact was signed between Canada and the United States. If we go by this historical precedent, there is no reason why we should believe that it will be different in Mexico's case. [end recording]

We have just presented excerpts of a news conference by Ramon Sanchez Parodi, Cuban vice minister of foreign relations, in Havana.

Radio Havana Cites Honduran Minister on 'U.S. Pressure'

PA2110123693 Havana Radio Havana Cuba in Spanish 0000 GMT 21 Oct 93

[From the "Evening Information Review" newscast]

[Text] Honduran Foreign Minister Mario Carias Zapata has revealed in Tegucigalpa that new U.S. pressure is being exerted to prevent Latin American businessmen from investing in Cuba. William Pryce, the U.S. ambassador in Tegucigalpa, sent a note to the Foreign Ministry threatening Honduran businessmen who invest in the Caribbean island, according to the source.

A spokesperson for the U.S. Embassy in the Honduran capital said that similar notes were given to governments of other Latin American countries.

Authorities Remove 2 Asylum Seekers From Venezuelan Embassy

FL2110144593 Havana Radio Progreso Network in Spanish 1200 GMT 21 Oct 93

[Text] On 20 October, Venezuelan Foreign Minister Fernando Ochoa Antich denied that two individuals had been violently removed from the Venezuelan Embassy in Havana. The false information on the alleged removal was given to the media in Caracas by counterrevolutionary (Salvador Romani), who said that Cuban authorities had forcefully removed two refugees out of the Venezuelan Embassy.

After stating that this was not true, Ochoa Antich explained that several Cuban citizens trying to enter the Venezuelan Embassy knocked down an embassy official who had recently undergone surgery and generated an internal problem within the diplomatic mission. Ochoa Antich added that in the face of this situation, the Venezuelan ambassador to Havana called on Cuban authorities to remove those people from the premises, since they did not meet the requirements established in the right for asylum.

Two Men Unsuccessfully Seek Asylum at Canadian Embassy

PA2110223693 Madrid EFE in Spanish 1725 GMT 21 Oct 93

[Text] Havana, 21 Oct (EFE)—A Canadian Embassy source confirmed today that the two young Cubans who entered the Canadian Embassy offices in Havana on Wednesday afternoon left the premises voluntarily because they were unable to obtain political asylum.

"They entered and we explained that Canadian policies prevented us from giving them asylum. Upon hearing this, they decided to leave voluntarily and were not stopped," the diplomatic source told EFE. He added that the two young men, who were between 20 and 25 years of age, had jumped over the embassy's fence at approximately 1730 (2230 GMT) and requested political asylum.

In past months several Cuban citizens have tried to enter the Canadian Embassy to request political asylum and leave the country. The most recent case occurred on 14 September, when two Cubans identified as Maximo Sotolongo and Israel Escobar, 22 and 26 years old, respectively, entered the diplomatic legation. Those two individuals did not achieve their objective, either.

Similar attempts have been made at the diplomatic missions of Spain, Peru, Brazil, Argentina, and Venezuela, but only the 11 Cubans who entered the Mexican Embassy on 9 September managed to obtain a tourist visa to leave the island and travel to that country.

'Straight Talk' on Illegal Departures

FL2210023893 Havana Radio Rebelde Network in Spanish 1700 GMT 21 Oct 93

[From the "Straight Talk" program hosted by Carlos Santana, with guest journalists Eloy Concepcion and Renato Recio of the TRABAJADORES newspaper]

[Text] [Santana] Today we are going to comment on illegal departures from Cuba. From what criteria should we begin for analysis of this topic? We will begin with you, Renato, so you do not get upset.

[Recio] Thank you very much. [chuckles] I would begin from the following point: Cuba allows emigration to any citizen who wants it, but a country must be willing to receive the emigrant. For such a formality, it is necessary that there be a determined legality. Laws, models, and formulas have been established for this migration from one country to another. In other words, it is not enough for a citizen to want to move to another country. It is necessary for that country to be willing to receive him. The recipient country is doubtful when the emigrant comes from a Third World country, whose people are naturally inclined to large economic emigrations. In Cuba's case, there is also an historical factor that justifies the emigration because there are divided families, due to large emigrations to the United States in the past. Most of the people who wish to emigrate today want to go to the United States. Now, what is happening? The United States is not keeping the immigration treaties it has established with Cuba. It is well known that Cuba and the United States signed an agreement on immigration in 1984. That agreement stated the possibility of 20,000 Cubans emigrating to the United States annually.

[Sanabria] How is that working?

[Recio] Well, you figure it out. The number of Cubans who have emigrated to the United States under that agreement has not totaled 20,000. Strangely enough, however, I would say that last year, approximately 3,000 people who are commonly known as rafters, illegally emigrated to the United States. Everything indicates that that figure will be maintained this year, or it could even be higher.

[Sanabria] How should one interpret that contradiction?

[Recio] The answer, in my opinion, is very simple. The United States has denied legal entry, but has favored illegal entry. Why has it favored the illegal way? Why is it letting people risk death? We should point this out because some people estimate that out of every four rafters, one survives; others say that one out of three rafters survives. Overall, it is known that to dare cross the extremely dangerous currents of the Gulf of Mexico in a raft or in a small boat is suicidal.

When the rafters arrive there, they are welcomed as heroes. They receive a number of privileges: They are allowed to work and are given legal status immediately. The United States is, however, denying visas to senior

citizens. It is currently denying entry visas to senior citizens who have time and again visited the United States.

[Santana] This obviously means that there is a policy designed to stimulate illegal departures from Cuba.

[Concepcion] Yes. The fact is, Carlos, the issue of Cuban emigration to the United States has also been part of an aggressive policy formulated by the various U.S. administrations. Now that the blockade has intensified in light of the current Cuban economic situation, and the standard of living of some sectors of our population has in fact deteriorated, the desire to emigrate to the United States has somewhat intensified. Not only has this desire intensified, but it has also been stimulated by the Miami-based radio stations that daily instigate the people to engage in these illegal departures.

Renato's remark about the danger of the Straits of Florida has been substantiated by Miami-based scientists and meteorologists themselves. Those who make the trip and arrive there alive are received as heroes. Not only are they received as heroes, they are used in a publicity campaign by Miami-based media organizations, most of which are controlled by the staunchest reactionary groups, to depict an extremely serious situation in Cuba, to make Cuba appear as a besieged country, as a dictatorship in which the people can no longer live, but prefer to emigrate; that is, in which the people prefer to run the risk of jumping on a raft and facing the grave dangers of the Gulf currents in the Straits of Florida so long as they no longer have to live in Cuba. They are disseminating these types of reports worldwide, conveying a somewhat exaggerated sense of internal agitation over the situation. [words indistinct]

[Santana] The interesting thing about all this is that those very people arriving in the United States on rafts may have gone to the U.S. Interests Section to apply for visas to enter the United States legally.

[Concepcion] Yes. There have been cases. It is known that out of every 100 applications, 10 or 15 are accepted. Incidentally, most of those being awarded entry visas are older people.

[Santana] Apart from the dangers facing these people who leave Cuba illegally, what other problems could their departures bring to the Cuban population?

[Recio] I have recently written an article entitled: "Inviting Death." In my article, I said that one should not only take into account the death toll provoked by the practice of facing the enormous risks of the Straits of Florida, of such a dangerous sea, but the fact that the U.S. policy has created conditions so people resort to the use of force in order to leave the country. Ships have been hijacked, people have been kidnapped, even crimes have been committed. Force has sometimes been used to fulfill this undertaking.

[Concepcion] I believe, Renato, that there are recent cases, some of which have been quite lamentable. Our people, who are known for having a good memory, cannot forget the case of Perez Quintosa in Tarara, where a Cuban policeman was murdered and Perez Quintosa was seriously wounded. For several days our people stood by him and every effort was made to save his life. Another recent case is that of Cojimar; and the Regla case, which occurred last week.

I believe we must stop and think about these cases, which are all lamentable and which have claimed human lives. One must stop and think about the position of a coast guardsman, a soldier of Cuba or of any other country who is guarding the border—because what would happen if you are guarding a beach one night and you let a speedboat pass that could launch an attack against the Melia Hotel in Varadero with the clear purpose of discouraging tourism in Cuba—that is, that man is there not only to defend Cuban territorial safety, but to defend his life as a human being because he could be attacked by a speedboat.

[Santana] Is there anything that can be done to prevent these incidents?

[Concepcion] I believe these incidents are unavoidable. There are conditions...

[Recio] So long as the United States maintains its policy toward Cuba, of course.

[Concepcion] Exactly. I believe these incidents have occured and, in my opinion, there will be more to come. I believe these incidents will continue to occur because there are always people who listen to enemy radio stations instigating this type of activity from Miami; that is, they are inviting them to die. The various U.S. Administrations have made the rafter issue, the illegal departures from Cuba, a part of their policy. Thus, there are always people who are naive. There are people who are even taking children.

As a Cuban, I personally regret the death of any human being. We sincerely believe that we must regret any death. But, what is happening? The Regla incident, for instance, has been grossly manipulated by the Miami-based reactionary stations. Their manipulation has been so gross that they should be strongly condemned because they are going as far as minimizing the life of the Cuban citizen who died in this lamentable incident.

[Santana] Well, Eloy, that has not happened only in the case of the Regla incident. In the face of incidents of this type, the anti-Cuban propaganda begins to disseminate false, biased reports on these cases. I would like to ask you what kind of advantages our enemies expect to obtain from these types of incidents.

[Recio] Well, your question ties in with what Eloy has just said. They have politicized their overall immigration policy. The United States has policitized its immigration policy, especially with regard to Cuba. Let us just cite the

case—which was carried by Cuban television—of that Haitian ship which picked up two dying Cubans on the high seas, but when when the Haitian ship arrived in Miami, the U.S. authorities simply admitted the two Cubans and rejected the Haitians. You can imagine the extent to which this plan has been politicized. It is in fact a macabre plan because it has claimed casualties, many casualties, including the ones just mentioned.

I believe we cannot fail to remember something that is somewhat related to what Eloy said about the Cuban Coast Guard. If a coast guardsman notes that someone on the coast has a suspicious attitude—if he is on a raft or in a vehicle making suspicious movements—it is true that that could mean the mere fact—I say mere because it is now a common practice—that he is trying to leave the country such a dangerous way. Well, the suspect person may also be a person who has committed a crime. That is, a person may wish to leave the country because he has just committed a crime and hopes to escape legal punishment. That individual must of course be arrested. It may be a person who has robbed a store and has taken valuables, jewels, foreign currency, or any other items.

What I am trying to say is that every country in the world must have a body in charge of guarding its borders. These guards must have authority. In the case of Cuba, these people are heroes because they guard day and night. We are not going to forget that the United States has always sought to infiltrate behind our lines with enemy agents, people who come here to perpetrate acts of sabotage, to plant bombs, to burn sugarcane fields, and even to spread bacterial diseases.

[Concepcion] In response to the recent question as to whether these incidents would continue, I believe, Renato, that all these incidents may be easily averted. Many of our critics, some of them from inside and especially those from outside, from immigration and and very especially from foreign radio stations that are broadcasting from Miami, instigating these types of acts, which often bring about criminal actions... [changes thought] I believe all these may be easily halted. The easy solution would come through compliance with immigration agreements. Cuba has always complied with them, and has recently even taken measures to increase visits to our country by the Cuban community, to effect the family reunification they are so adamant about.

I believe the solution would be very easy if, whenever a Cuban citizen goes to the U.S. Interests Section to exercise his right to leave the country, he would be allowed to do so. It should not be a computer, or a blue-eyed man who tells him no, only eight or 10 applicants out of 100 are authorized to visit the United States, officials acting with an air of praetorian power. I believe this problem could be easily solved in this way. We could thereby also avoid the irksome incidents that have marred a policy that could otherwise have been one of dialogue, understanding, and family reunification. It would be a policy that does not create victims as a result of the U.S. aggressive policy and we would not be lamenting the loss of human lives on either side.

[Recio] Excuse me. I would define that policy as one that has established another triangle of death. The United States has first imposed a blockade. Then, it has intensified its blockade. It then denies visas and encourages illegal departures. These three elements are closely connected. First, the United States has made every effort to make life difficult in Cuba and to make Cubans willing to leave their country, not only because of the existing conditions, but because of the propaganda and the special treatment accorded those arriving there through illegal channels.

Furtheremore, the United States is denying visas to those who are willing to leave Cuba through legal channels in accordance with international laws. Finally, those who are fortunate enough to arrive there on rafts, those who are fortunate enough to win in a true Russian roulette game, as some scientists have said...

[Concepcion, interrupting] And they are using even children in their propaganda campaign, Renato. They have used pregnant women. They have made up every type of grotesque soap opera, based on these problems that are so deeply human, and which have such high human content for Cubans.

UN Delegates Differentiate Terrorism, Self-Determination

FL2110150693 Havana Radio Progreso Network in Spanish 1200 GMT 21 Oct 93

[Text] A call for an international conference on terrorism was backed, during debates at the UN General Assembly, with a warning not to confuse this topic with the struggle for national liberation. The delegate from (Uganda), (Martines Vangucho), stated that organizing such a conference was clearly justified; but he added that one must distinguish between terrorism and the people's legitimate struggle for self-determination.

Olga Valdes, Cuban representative to the UN General Assembly, expressed herself in similar terms and stated that international terrorism cannot be analyzed without considering its outstanding causes, including foreign domination. In an indirect reference to the economic blockade imposed on Cuba by the United States, Valdes stated that the most dangerous form of this problem is state terrorism. She went on to say that Cuba has been a victim of those acts.

Raul Castro Tour of Camaguey Province Continues

FL2210015693 Havana Radio Rebelde Network in Spanish 1800 GMT 21 Oct 93

[Text] Army General Raul Castro Ruz visited many installations of social and economic interest on the fifth day of his tour of Camaguey Province. One of the places he visited was the Ministry of the Interior's [Minint]

transportation workshop where he inspected the results of metal cutting, an experimental bus, and a biogas plant that bottles methane gas for domestic kitchens and refrigerators.

Afterwards, Raul visited prison farm No. 5 where he was briefed on various aspects of the inmates' life and work, and the initiatives that are being developed there. Later, he toured the Albaisa neighborhood in Camaguey City where Minint is building low-cost housing. Afterwards, Raul visited military unit No. 1390 and was able to see the training area and daily work of the troops, as well as the unit's organic garden.

Raul's workday concluded with a stop in La Virginia community in Najasa Municipality, where he asked about a project begun three years ago, which is approximately 75 percent completed. After observing the completed investments of the area, which is part of Camaguey's dairy belt, Raul suggested that they consider the possibility of resuming construction and completing this neighborhood. This would fulfill the housing plan established by Fidel for this cattle-raising area.

Two Cooperative Workers Slain While 'Guarding' Assets

FL2210015493 Havana Radio Reloj Network in Spanish 2034 GMT 21 Oct 93

[Text] Two slain cooperative workers were buried today in Guira de Melena Municipality, Havana Province. Twenty-year-old Vladimir Zamora Castaneda and 39-year-old Roel Osorio Cedeno, members of the Cuba-Paises Nordicos agricultural cooperative in Guira de Melena, were buried at noon today.

The two cooperative workers were murdered by criminals on the evening of 19 October while they were working the night shift guarding the assets of their cooperative and of the people.

Thousands of residents of Guira de Melena joined the funeral procession, unable to supress tears as they escorted the bodies of the slain young men to the pantheon erected in the local cemetery for those who have fallen defending the fatherland.

Politburo member Candido Palmero, first secretary of the party in Havana Province, has been with the relatives of the two murdered workers and with the people of Guira de Melena Municipality. Interior Ministry forces are currently conducting the appropriate investigations to clear up this crime and identify its perpetrators.

PRC Ambassador Wants Increased Economic Ties

PA2210035093 Havana Radio Havana Cuba in Spanish 0000 GMT 22 Oct 93

[From the "Evening Information Review" newscast]

[Text] PRC ambassador in Havana Xu Yicong expressed the interest his government and people have in increasing economic and friendship ties with Cuba. In a tour through the Cuban interior provinces, the Chinese diplomat recalled that Cuba was the first Latin American country to recognize and establish relations with the PRC, which date back 30 years.

Robaina, Burmese Counterpart Begin 'Official Talks'

FL2210040393 Havana Radio Rebelde Network in Spanish 0000 GMT 22 Oct 93

[Text] U Ohn Gyaw, foreign minister of the Union of Myanmar, formerly Burma, and Cuban Foreign Minister Roberto Robaina this afternoon began official talks.

Thanking Gyaw for his visit, Robaina said that in addition to becoming another opportunity for promoting exchange between the two peoples and governments, it will also be instrumental in identifying areas for cooperation.

[Begin Robaina recording] I also wish to convey to you my special gratitude for your visit, even though we are aware that you are not living under the same pressures, or shall I say that you do not submit to such pressures. But we know that those who come to Cuba today are daring to come to the country that is most heavily harassed by the empire. We respect everyone, but respect even more those who act so independently, those who act with the possibility of deciding for themselves where to go, with whom to talk, and with whom not to talk.

In addition to these ideas, I also wish to convey to you our desire that you inform us, as briefly as possible and in the manner you deem most appropriate, of the ongoing process of economic opening in your country; how some of the matters you discussed with me earlier are going, such as the increase in rice production and the difficulties you have had; and what experiences you have had so far with regard to large foreign investments in an area such as petroleum. This is something we are just going to begin in our country; that is, risk oil contracts, which are already being processed. We are of course also interested in the regional integration process, about which you already hinted. [end recording]

Gyaw also emphasized the significance of these talks that will be beneficial to both peoples who share the same thoughts.

[Begin Gyaw recording in English with superimposed translation into Spanish] I wish to take this opportunity as a possibility for establishing a bridge, given the fact that we are situated in different parts of the world. Despite the distance separating us, we share the same thoughts. [end recording]

Gyaw, who will stay in Cuba until 25 October, will meet with the Cuban ministers of foreign trade and of the sugar industry, and with the presidents of the [words indistinct].

Haiti

FRAPH Warns of Plot To Kill U.S. Citizens

FL2210000193 Port-au-Prince Radio Metropole in Creole 2000 GMT 21 Oct 93

[Text] The Revolutionary Front for Haitian Advancement and Progress, FRAPH, held a news conference this afternoon. Our reporter Edner Jean attended the conference:

[Begin recording] [Jean] As a matter of fact, FRAPH has just held a news conference during which the organization again criticized development of the situation in the country. They severely criticized the UN/OAS decision to order an embargo on the country and the presence of various ships in the country's waters.

FRAPH reiterates its decision to fight for national sovereignty, claiming that it has enough strength to repeat the achievement of 1804. FRAPH blames President Aristide for the situation that the country is now facing. FRAPH asks that President Aristide grant amnesty to the Army members and that Prime Minister Malval extend the government to the Duvalierists. If the prime minister does not do so and President Aristide does not return on 30 October, FRAPH requests that the president make the patriotic gesture of resigning. FRAPH does not, however, ask General Cedras to resign:

[Emmanuel Constant, FRAPH spokesman] Since 17 August we have been asking for reconciliation. In the U.S. Congress today, Senator Dole, Senator Turner, and another senator presented amendments disagreeing with the intervention of President Clinton in Haiti and the dispatch of ships. Today we are asking whether the amnesty law is not written as it must be, whether the concord government is not formed as it must be, and whether reconciliation cannot be reached in compliance with the conditions we just mentioned. We ask that at midnight on 30 October, President Aristide, with patriotic fervor, to save the people who voted for him, resign. We are asking Prime Minister Malval to resign as well, so that we can begin another government, another solution to save the country. [applause]

[Jean] That was Emmanuel Constant, one of the FRAPH members. Another FRAPH member, the coordinator general, (Jodlet) Chambelain, today denounced what he called a plot to murder FRAPH members. He refers to the seizure of weapons that the police made on 20 October.

The FRAPH coordinator stated that in the coming days, many crimes are going to occur. He stated that many foreigners might die, mostly Americans. He defended himself by saying that not FRAPH but other organziations would be involved in those crimes. He said that certain embassies are plotting to murder foreigners in the country. He said the country of Dessalines would not be for sale. He would rather give the country to Americans than to the United Nations.

[Chambelain] Those people are plotting to murder one American here. Before they kill him, we are calling on the U.S. Government and the moral American people so that when this American is killed, they do not think that it was us Haitians who did it. Caution is advised because certain embassies here are involved in the plot. We will soon reveal all the embassies that are in on this plot without the people's knowledge.

Haiti is ready to negotiate with any country, but we are not selling our country. If the Black Caucus members and Aristide think that they can sell the country little by little—instead of selling it little by little, I would rather sell it in one piece to the Americans—than the country will change completely. Then I know that I have a capital, a country that is represented as any other country in the entire world. [as heard]

[Jean] It should be known that in addition to this news conference, in which the FRAPH coordinators were speaking, there were many other small conferences being held in the same room, from which FRAPH supporters were sending hostile slogans to President Aristide and chanting, Freedom or Death. They do not want the return of Aristide. Further details on the 6 o'clock broadcast. [end recording]

Report on U.S. Denial of Claims To Include Coupists

FL2210005993 Port-au-Prince Signal FM Radio in French 1030 GMT 21 Oct 93

[Excerpts] The White House confirmed discussions about a broadening of the Haitian Government, but provided reassurance that this broadening would involve only democratic elements. Dee Dee Myers, spokesperson for the U.S. administration, pointed out that discussions took place in Port-au-Prince between the Robert Malval government appointed by deposed President Jean-Bertrand Aristide; representatives of the group called the Four Friends of Haiti including Canada, the United States, France, and Venezuela; and the UN mediator, Argentine diplomat Dante Caputo.

A few hours earlier, a colleague of President Aristide, who was speaking anonymously in Washington, asserted that the United States hoped for the broadening of the Haitian Government in order to satisfy one of the requirements of the military in power in Port-au-Prince. [passage omitted]

The United States denied on 20 October that they were trying to admit the military men who had participated in the September 1991 coup d'etat into the Haitian Constitutional Government. Myers, who reaffirmed that President Clinton's objective was to restore democracy to this Caribbean country, asserted that it was not a question of admitting nondemocratic forces to a government. [passage omitted]

President Jean-Bertrand Aristide stated: If it is a question of having more people with us in the government,

why not? It is democracy. But the others must first be put aside, he said of the military leaders.

Asked on 20 October on CNN about discussions to broaden the Haitian Government, Prime Minister Malval pointed out that this could take place only with democratic elements, and only after 30 October. [passage omitted] The Haitian prime minister asserted that the broadening of the government, as promised since the beginning by President Aristide, was listed as a minor point in UN proposals. He pointed out that this issue has never been discussed with U.S. Ambassador William Swing.

Crisis Committee Meets With Army General Staff 20 Oct

FL2110153993 Port-au-Prince Signal FM Radio in French 1030 GMT 21 Oct 93

[Report on a meeting of the Haitian parliament's Crisis Committee with the Army General Staff at Army Headquarters in Port-au-Prince on 20 October; passages within italics in Creole]

[Text] The parliament's Crisis Committee is already working; its members have met with the Army high command. This meeting was very positive, according to Antoine Joseph, president of the Crisis Committee and president of the Chamber of Deputies. Jean Luckenson reports:

[Begin recording] [Luckenson] *Today, Wednesday, 20 October at 1000 AM, a meeting was held at the General Headquarters of the Haitian Armed Forces [FADH] between the Crisis Committee, established on 19 October, and General Raoul Cedras, FADH commander in chief. Senator [Ebranc] Cadet, a member of the delegation, explains the purpose of the meeting.*

[Cadet] *Our purpose was to identify the elements hampering the progress of the Governors Island agreement and the New York pact. We have begun to see, more or less, the causes. We have an appointment with the government. We are going to try to meet with the government so we can get all data.*

[Luckenson] *Sen. Bernard Sansaricq, who is a member of the Crisis Committee, said he was very optimistic. The Grand'Anse senator stressed the new sanctions the international community has taken against Haiti and forcefully condemned the presence of the foreign warships in Haiti's waters. The senator wants an (?agreement) between the main protagonists so as to satisfy the national community.*

Dr. Antoine Joseph, president of the delegation, believes his meeting with the General Staff was very positive and that other steps are to be taken.

[Joseph] *It was a very positive meeting.* The conclusion that has been drawn is that we must get together with FADH, the parliament, the government, and all other institutions to see whether we can carry out the 30 October [event].

[Luckenson] What will be the next step?

[Joseph] We are now going to meet with the prime minister and the members of the government.

[Luckenson] Do you have confidence in the progress of the democratic process?

[Joseph] For the moment, yes, after the meeting we had with the members of the General Staff.

[Luckenson] *The meeting lasted three hours. We remind you that the delegation that met with the General Staff was made up of five members of the Crisis Committee: Deputy Antoine Joseph, president of the Chamber of Deputies, vice-president of the National Assembly, and president of the Crisis Committee; Deputies Duly Brutus and Datus Milcent; Senators Ebrane Cadet and Bernard Sansaricq. Jean Luckenson for Signal FM.* [end recording]

Army, Government, Parliament Scheduled To Meet 21 Oct

FL2110215693 Port-au-Prince Signal FM Radio in French 1030 GMT 21 Oct 93

[Text] We just learned some final-hour news. At the initiative of the parliamentary crisis committee, there will be a tripartite meeting this afternoon at the residence of the prime minister. This tripartite meeting will gather members of the crisis committee, members of the Army high general staff, and the entire government, according to a reliable source which says it is confident of the success of this tripartite meeting, this summit.

The decision has just been made for the workshops and commissions formed by the tripartite office to meet at the Legislative Palace this morning to prepare for the tripartite meeting. A reliable, well-informed source just confirmed that the tripartite meeting will take place this afternoon at the residence of Haitian Prime Minister Robert Malval. The people who participate in this meeting are members of the crisis committee office, members of the high general staff, and the government of national concord.

Aristide Requests Resignation of Cedras, Francois

FL2110215993 Port-au-Prince Radio Metropole in French 1045 GMT 21 Oct 93

[Text] From the perspective of fewer than nine days before his return to Port-au-Prince according to the terms of the Governors Island Agreement, the Haitian president is again requesting the resignation of the Army chief and the Port-au-Prince police chief. Addressing the authorities of the Inter-American Development Bank [IDB] in Washington on 20 October, Jean-Bertrand Aristide stressed that the resignation of General Cedras

and of Lieutenant-Colonel Francois must open the path to national reconciliation. The head of state asserts that justice and reconciliation are indispensable to the progress of democracy.

During this meeting with IDB authorities and businessmen, President Aristide praised the support of the international community in view of the return to constitutional order in Haiti. Jean-Bertrand Aristide also pointed out the need to professionalize the Armed Forces, and demanded justice:

[Begin Aristide recording] We are going to restore democracy and promote reconciliation. Without reconciliation, one cannot speak democracy. Without justice, one cannot speak of democracy. That is why today, the opportunity is presented to us to say no to revenge, no to injustice, no to impunity, yes to reconciliation, yes to peace. United with you, we are working to professionalize our Army so that we no longer have one soldier for every 1,000 Haitians and 1.8 doctors for each 10,000 Haitians. [end recording]

While speaking to the IDB assembly, President Aristide indicated that his government hopes to reduce the 87-percent illiteracy rate with the help of international aid.

Let us recall that the IDB had already approved a loan to the Malval government of $132 million, money that will be available upon the return of President Aristide to Haiti. The IDB also intends to release some funds of the $132 million within the framework of the urgent economic program. This amount will also be used for certain agricultural projects, energy education, cleaning, and drinking water. This money must also help to finance the Economic and Social Assistance Fund.

Government Sits Permanently in Face of Crisis

FL2110223293 Port-au-Prince Radio Metropole in French 1600 GMT 21 Oct 93

[Text] According to a communique from the prime minister, the government is sitting permanently. In the face of the seriousness of the crisis that the country is going through, the council of ministers, in close collaboration with the head of state, has decided to sit permanently. The government communique also congratulates the population for its exemplary behavior during these difficult times.

Pro-Aristide Deputy Kidnapped by Armed Civilians

PA2110162193 Mexico City NOTIMEX in Spanish 1609 GMT 21 Oct 93

[Text] Port-au-Prince, 21 Oct (NOTIMEX)—Samuel Milordla, deputy of the National Front for Change and Democracy (FNCD), the coalition which took Jean-Bertrand Aristide to the presidency, has been kidnapped by a group of armed civilians. His family reported that the deputy was kidnapped at his home on Wednesday night.

Further on Abduction

FL2110215293 Port-au-Prince Signal FM Radio in Creole 1830 GMT 21 Oct 93

[Text] The abduction on the night of 20 October of National Front for Change and Democracy [FNCD] deputy, Samuel Milord, reflects the violent character of the current crisis. A group of armed individuals first fired a series of shots in the deputy's Debussy area neighborhood, to intimidate the people, before abducting Milord.

It has been reported that the deputy had tried to escape, but that the armed men caught him and took him away. According to sources close to the parliament, nobody has any information on his whereabouts. Deputy Milord had received a number of anonymous phone calls before he was abducted.

Government Warns of Probable Delay in Aristide's Return

FL2210005793 Port-au-Prince Radio Metropole in French 1800 GMT 21 Oct 93

[Text] The return of President Aristide to Haiti could be postponed for a few days, stated the Malval government on this 21 October. Information Minister Herve Denis, speaking this morning on behalf of the government, believes that the opponents of this team are trying to slow down the train of this process to restore democracy. Denis thinks there is a chance this train may not arrive at its destination on 30 October:

[Begin recording in Creole] We are saying it again in order to be clear: If we notice that they [unidentified] want to switch us to another track, not one leading to the return of Aristide—I do not know what is in their minds, something other than the return of Aristide—if we notice that that is what they want—I mean everyone who signed the agreements and who are waiting for the respect and implementation of the agreements, and others—if we notice that they want us to head in another direction, then we are quitting.

It is in this way that the prime minister stated that we would not be accomplices to those who wish an objective other than the objective we gave ourselves—that is, the return of President Aristide. In other words—I am repeating it—the train might be delayed, the train might not arrive on 30 October. It could arrive on 31 October. It could arrive on the first or second of November. What we are saying is that it will arrive. We are saying that as long as the train takes this direction, we will be here. [end recording]

Antigang Service Destroys 'Weapon Network'

FL2110215493 Port-au-Prince Signal FM Radio in Creole 1815 GMT 21 Oct 93

[Excerpt] A weapon network was destroyed on 20 October by the Investigation and Antigang Service,

which seized 35 rifle grenades, 11 fragmentation grenades, one M-16 rifle, and other military equipment at the residence of Louis Robert Lamour, a Canadian living in Haiti.

Haitian Army Captain Jackson Joanis, working in the Antigang Service, advised that he had had a great deal of information about this weapon network before he set the trap by which the men were caught. He arrested the Canadian, who is now in jail. [passage omitted]

Long Lines Forming at Few Gas Stations Still Open

PA2110232193 Paris AFP in Spanish 1957 GMT 21 Oct 93

[Text] Port-au-Prince, 21 Oct (AFP)—Most gas stations in Port-au-Prince stopped pumping gas today, almost three days after the enforcement of the international embargo, AFP has learned. There are long lines at the few gasoline stations that remain open.

According to well-informed sources, the fuel reserves necessary to refill tanks at these gasoline stations—owned by the Shell, Texaco, and Esso companies—have been adversely affected by the petroleum embargo imposed on Haiti on 19 October at 0359 GMT.

In the past, the Haitian Government authorities (not recognized by the international community) had undertaken a process to have access to those reserves. That access was granted by the justice system.

A gas station owner who preferred to remain anonymous said that this time the political context is not the same.

A Texaco spokesman said the problem has had no impact on his company, and for the time being it continues to deliver fuel to the gasoline stations.

St. Lucia

St. Lucian Monitors in Haiti 'Safe' in Dominican Republic

FL2110164493 Bridgetown CANA in English 1603 GMT 21 Oct 93

[Text] Castries, St. Lucia, 21 Oct, CANA—Fifteen St. Lucians who were monitoring human rights in Haiti as part of a United Nations/Organisation of American States civilian mission, are safe and have been transferred with the rest of the mission to safety in the neighbouring Dominican Republic, the Foreign Ministry here said.

The Foreign Ministry also said in a statement that St. Lucia strongly condemns "the brutal acts of violence" which have intensified in Haiti over the past three weeks. The violence has been attributed to elements opposed to the return of exiled President Jean-Bertrand Aristide.

"These acts which are perpetrated by elements within the Haitian society bent on illegally securing the reigns of power, portray a total disrespect for the human rights of the people of Haiti, and a flagrant disregard of the Governor's Island agreement," the statement added.

The U.N.-brokered Governor's Island agreement between Haiti's military rulers and Aristide, provides for the reinstatement of Aristide on October 30 and the resignation of the Army leadership, including Commander Lt. Gen. Raoul Cedras, leader of the coup that toppled Aristide in September 1991.

The refusal of Cedras and other military leaders to resign last Friday as expected, has deepened the crisis and may put back the scheduled return of Aristide.

The U.N. has reimposed sanctions against Haiti to pressure the military leadership to give way.

*** Multinational Corporations Seen as Beneficiaries**

94CA0013A Mexico City EL FINANCIERO in Spanish 28 Sep 93 p 43

[Commentary by Jose Angel Conchello, former president of the National Action Party at the Federal District and national levels: "Tour for the Free Trade Agreement; Salinas Agrees That Opponents Are Right"]

[Text] This fall, which just began on 23 September and which will be decisive for Mexico, concern about the Free Trade Agreement (FTA) has focused on the opinions and attitudes of Americans rather than on the consequences that it will have for Mexico. Hence our president's recent tour to deliver a talk in San Francisco and a lecture in Brussels. But as the president seeks to convince the richest men on earth, he is agreeing with us opponents of the FTA when we say that it will benefit the big international corporations and the financiers who round out their operations.

To tell the truth, out of a need to simplify we have often concurred that under this agreement one country wins and another loses. But when we say that we here will be the losers, one must not think that there will be no losers in the United States. What will actually happen is that in all three countries "unskilled" workers will come out losing, while in all three, transnational corporations, speculative capital, and worldwide money movements will come out ahead.

As for the losers, what Mexico is now experiencing, mounting unemployment due to a major trade opening, is already a bitter foretaste of a situation that can only worsen, and the signing of the FTA will do nothing to alleviate it. It can only worsen because of the phenomenon that they call "structural adjustment," which is nothing more than personnel cutbacks in all companies, supposedly to cope with U.S. competition.

As for the winners, a list of the country's 50 export firms showed that almost all of them have foreign capital (except Pemex) and that these are transnational corporations that account for 60 percent of "Mexican" exports. Under the FTA these corporations will also be able to bring in their executive personnel and will be sold on the stock exchange so that foreign investors can buy shares in foreign corporations. When we talk about Mexico's foreign trade, we are talking about 60 percent of it being accounted for by international companies, most of them headquartered in the United States.

When U.S. workers demonstrate in the streets, writing "Don't take my job to Mexico," they are shouting at the corporations that may set up shop in Mexico because daily wages here are less than hourly wages over there. American public opinion, which is being carefully molded by the media, is blaming Mexico for a sin that the multinationals, which have formed FTA defense groups, are committing.

The degradation of the environment along the border is due to the irresponsibility of U.S. companies. It is "their" wastes, "their" toxic dumping, "their" foul-smelling spills, that have fouled the soil, water, and air all along the border, with the complicity or ineptitude of the Mexican authorities (of course!).

But the campaign of discredit that is being conducted in the United States has sullied Mexico, not the multinational corporations that are causing the environmental problems and paying the low wages.

It is corporations, not nations, that are pushing globalization. Companies are becoming more important than countries. Worldwide enterprises are seeking (or taking advantage of) free trade.

As for the worldwide movement of money, Paul Kennedy, in his book "Preparing for the 21st Century," wrote: "The daily exchange of money totals approximately $1 trillion and far exceeds the amounts used for international purchases of goods and services or for foreign investment. Actually, by the end of the 1980's more than 90 percent of this worldwide exchange of money bore no direct relation to trade or investment." But we should realize that these exchanges are made through a sensitive, instantaneous, computerized network that is run by the international banks and world banking corporations.

As for the enormous importance of the movement of merchandise among multinational corporations, a recent study of the United Nations Conference on Trade and Development (UNCTAD) reported that in 1992 for the first time world flows of merchandise were second in size to sales by multinationals in their intracorporate transactions, that is to say, between the parent company and the subsidiaries or among the subsidiaries.

According to this same study, 37,000 multinational corporations that each control more than $2 million in foreign investment have sales, outside their home countries, that exceed trade among nations. In other words, the sales of Nissan, Ford, and Kimberly Clark in Mexico,

plus what the multinationals sell in other countries, totaled $5.5 trillion. In contrast, the total exports of all countries in the world stood at $4 trillion. To put it differently, commerce among corporations today is almost 30 percent larger than commerce among nations. This is why the main promoters and the primary beneficiaries of the FTA are the transnational companies.

When the members of the International Conference of Industrialists, the representatives of 600 powerful multinational corporations, summon the president of Mexico to San Francisco to talk to them about the FTA and the advantages of his country, the chief executive is making common cause with the real beneficiaries of free trade.

Likewise, when he goes to "Europalia," where a major gathering of more than 200 top-echelon European businessmen had been scheduled, to establish contacts in finance, agro-industry, infrastructure, and tourism, he is helping to boost the power of the transnationals. In both cases he is proving us right when we said, in our lonely bitterness, that the beneficiaries of the FTA are the ones who are already enjoying its benefits.

No sir. Millionaires do not need to be persuaded about ways that they can make more money; it is peoples who ought to be persuaded. But they, the people of Mexico for example, are kept in ignorance. That is all for today.

U.S. Proposal on Transportation Tax Termed 'Inappropriate'

PA2110173993 Mexico city Canal 13 Television Azteca Network in Spanish 1300 GMT 21 Oct 93

[Report by Patricia Gutierrez from Cancun, Quintana Roo; from the "Good Morning From Mexico" newscast]

[Text] The proposal by U.S. President Bill Clinton to apply taxes on border transportation has sparked significant reaction since he presented it. In general, after evaluating Clinton's proposal, we can say it has been viewed negatively.

Meanwhile, Manuel Martinez Dominguez, president of the Mexican Chapter of the International Commerce Chamber [Camara de Comercio International del Capitulo Mexico], has termed Clinton's proposal as inappropriate.

The private Mexican sector said that Clinton's proposal to apply taxes on border transportation is inappropriate and protectionist. Manuel Martinez Dominguez, president of the Mexican Chapter of the International Commerce Chamber, said that the measure could represent a necessary evil given in return for the approval of the trilateral North American Free Trade Agreement [NAFTA].

[Begin Martinez recording] As you said, I think this proposal is inappropriate. It could be considered a lesser necessary evil. If we see it that way, always without losing optimism, let us hope it is only temporary. But if in exchange, he offers all other things that have greater value and impact [words indistinct] strategies to advance and obtain the approval of what he wants. [end recording]

Meanwhile, Luis German Carcoba Garcia, president of the Business Coordinating Council, commented that the sector will study the effects of Clinton's proposal and will see to it that it does not become a protectionist measure that can adversely affect commercial relations in the North American region.

[Begin Carcoba recording] These are decisions by governments. As far as we know, it is a tax they want to create to support the development of border regions. We are still investigating this report. But for what we know, the tax is aimed at supporting the development of the Mexico-U.S. border area. In this case, the tax is to be implemented on the U.S. side and the United States is a sovereign country that can implement the steps it deems convenient, provided they do not affect trade.

The taxes [words indistinct] tariffs have been included in the pact reached. [end recording]

Meanwhile, leaders of Coparmex [Mexican Employers Confederation] said that this kind of measure represents pressure affecting enterprises, because we do 70 percent of our trade with the United States. This is something that must be negotiated so as not to affect the costs of enterprises, they concluded.

Border Controls Continue Despite End of Operation Blockade

PA2110155893 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 21 Oct 93

[From the "Good Morning From Mexico" newscast]

[Text] Despite the fact that Mexico and the United States have recognized the end of Operation Blockade, the U.S. Armed Forces still remain posted at the border. The U.S. Senate reported it is considering earmarking several million dollars to reinforce operations along the Mexican border.

Congress will study this week a proposal presented by California Senator Barbara Boxer. If said proposal is approved, the Pentagon would have to spend between $2 million and $24 million to train personnel to control the entry of illegal aliens from Mexico.

As seen, it is a truly painful situation U.S.-Mexican relations. Finally, Operation Blockade continues despite the fact that authorities said the operation had ended. More than one official or police officer remain at the border to prevent the entry of Mexicans or Hispanics. As known, many Hispanics, many Central Americans come to Mexico and from here they attempt to enter the United States.

Despite the fact that it is an autonomous U.S. action, this operation has resulted in higher rates to transport aliens to the United States in addition to being an act of aggression. For example, a person who smuggles illegal aliens to the United States, who previously charged $40 for the service, is now charging $500 to bring Hispanics or Mexicans into the United States.

Costa Rica

Economy Minister on Resolving Banana Dispute With EC

PA2110230693 Paris AFP in Spanish 2331 GMT 20 Oct 93

[Text] San Jose, 20 Oct (AFP)—Roberto Rojas, minister of economy and foreign trade, said today that Costa Rica insists on resolving the banana dispute with the EC within the GATT framework. A GATT commission will issue its opinion in December regarding an appeal filed by Latin American banana-producing countries.

On 19 October, EC agriculture ministers agreed that the European Commission would negotiate with Latin American banana-producing countries that are GATT members for the granting of compensations to prevent a condemnation of the new EC import rule.

The new rule, which has been in effect since 1 July, sets an annual quota of 2 million tons for bananas coming from Latin America. This quota is 500,000 tons less than the volume exported in 1992. The rule also sets a tariff of 20 percent and a huge 170 percent to be paid on anything imported over the quota amount.

The measure was appealed before GATT by its Latin American members—Colombia, Costa Rica, Venezuela, Guatemala, and Nicaragua.

Although Rojas said that the Latin American producers will listen to the EC's formal offer, he considered it "difficult" that an arrangement can be made by providing compensation, due to the pivotal role of the banana—unparalleled by any other product—among Latin American exports.

According to Latin American producers, restrictions on banana exports would cause annual losses for $400 million and would leave over 170,000 people jobless.

The EC will appeal to GATT Article 28 to negotiate a change of the 20-percent consolidated tariff with producers. According to Rojas, however, this does not solve the problem because there are quotas and import permits that the EC refuses to eliminate.

Rojas recalled that that there is an appointed GATT commission to determine if the new import rules are in agreement with GATT principles—nondiscrimination and nonimposition of quotas, among them. This commission cannot be interrupted and should continue its work until a report is rendered.

Rojas warned that: "Costa Rica will firmly oppose any attempt to hinder the commission's work or to prevent it from concluding its study," although he admitted that "it is always possible to negotiate" before the conclusion of an arbitration.

Rojas' statement followed President Calderon's admission this week that he would be willing to begin talks with the EC to try and meet them halfway as long as other Latin American producers are involved.

Federico Gallegos, president of the National Chamber of Banana Growers [Camara Nacional de Bananeros], told the media that it is vital not to close the doors on a possible understanding with the EC.

Luis Umana, general director of the National Association of Banana Growers made up of independent producers said that if Costa Rica is granted any quota or import permit, "we will fight to make sure that it truly benefits the country and not multinational marketing companies."

Guatemala

President Accuses Congress, Supreme Court of 'Plotting'

PA2110123393 Paris AFP in Spanish 1802 GMT 19 Oct 93

[Text] Guatemala City, 19 Oct (AFP)—Guatemalan President Ramiro De Leon today accused the Congress and the Supreme Court of Justice of "plotting" against him to impede the purge that he demanded to eliminate corruption from state institutions.

Speaking to the media, De Leon said "the people will respond" to the Congress, which today received from the Supreme Court of Justice a file with a preliminary suit against the president. If the suit is declared appropriate, it could separate him from the position.

The preliminary trial was proposed by a little known lawyer, Victor Hugo De Leon, who has accused the president of disregarding a judicial resolution freezing electricity rates. The judicial proceedings have been in court for several months but have received little publicity.

The Congress has not yet officially made a decision on the preliminary trial, but several deputies, including lawyer Jose Carlos Acevedo, say "they could declare themselves competent." For this, the favorable vote of two-thirds of the 116 deputies is required. This became feasible after President De Leon in August asked the congressmen and the Supreme Court of Justice magistrates to resign. President De Leon told AFP: "If they declare the trial proper, I will appeal to the people." De Leon says the trial against him "is legally groundless."

Meanwhile, the Congress is also preparing a "package" of constitutional reforms, including one to hold the 1995 elections ahead of schedule in 1994. This means De Leon would have to hand over the position one year earlier than scheduled. The president has rejected these attempts and, in turn, has called for a referendum to demand the resignation of deputies and magistrates. The Supreme Court of Justice, urged by the deputies, challenged and stopped the call last week.

New Human Rights Organization Created

PA2110163193 Guatemala City Teleonce Television in Spanish 1900 GMT 18 Oct 93

[From the "Telepress" newscast]

[Text] A new human rights organization has been created. It is called the National Human Rights Coordinating Board of Guatemala [Coordinadora Nacional de Derechos Humanos de Guatemala]. Conadegua, whose overall principles include the promotion of respect for human rights. The members of the new organization plan to create branch offices in all the country's departments. Another one of its primary objectives has to do with the fight against impunity by all possible means.

The Conadegua is made up of the Mutual Support Group, the Rujunel Junam Ethnic Communities Council, the Guatemalan Human Rights Commission, and others. Another organization that has joined the Conadegua is the Guatemalan Association of Jurists, where a powerful terrorist device exploded a few days ago destroying a large part of the offices.

5,000 Demonstrators Protest De Leon Peace Plan

PA2110132093 Panama City ACAN in Spanish 2239 GMT 20 Oct 93

[Text] Guatemala City, 20 Oct (ACAN-EFE)—Approximately 5,000 people marched in a demonstration in Guatemala City today to protest the peace plan proposed by President Ramiro de Leon Carpio, whom they accuse of governing with businessmen and the military.

The demonstrators were invited by the Labor and Popular Action Union [UASP], an organization that reportedly represents 1 million Guatemalans, to commemorate the 49th anniversary of the 20 October Revolution, a civilian-military movement that toppled the dictatorship of Jorge Ubico, which governed from 1931 to 1944.

The demonstrators, most of them Indians, criticized the proposal that the government intends to negotiate with the National Guatemalan Revolutionary Unity [URNG], because the proposal does not "help construct true peace but fans the fires of war."

The president's peace proposal asking the URNG to lay down its arms was rejected by the rebel high command, which labeled the plan as an "ultimatum." The guerrillas, however, agreed to attend a preliminary meeting convened by the United Nations.

The UASP accused De Leon of "backing the Army's repressive actions and the crimes of the Civilian Self-Defense Patrols," made up of armed civilians. The UASP also criticized both the lack of a social policy to help the destitute and the government's refusal to raise salaries and provide land and housing.

In addition, the UASP reported that human rights violations, as well as the "neoliberal" economic measures that only bring poverty and unemployment, have increased during De Leon's government.

Secretary Dismisses Pretrial Motion Against President

PA2110224893 Guatemala City PRENSA LIBRE in Spanish 21 Oct 93 p 24

[Text] President Ramiro de Leon Carpio could ask for popular support and take legal action to dismiss the deputies' declaring valid the pretrial against him, Presidency Secretary General Hector Luna Troccoli said yesterday.

There are some legislators who are trying to pressure the head of state by declaring the pretrial valid, but they do not have legal grounds to act in such manner and they lack morals and ethics, the official stressed.

What happens is that parliamentarians and magistrates act based on political settlements which the people would reject, because they are aware that 166 congressmen and 9 Supreme Court justices must vacate their positions, he expressed.

In addition to resorting to legal actions, de Leon Carpio could request the people's support, although we do not want to go to that extreme, he affirmed.

The pretrial was conceived to damage the president, but I do not think that it will be approved, because there are juridical elements to refute an accusation of this kind; the basic problem is that the organizations handling the case are the state branches whose members the president asked to resign, Luna Troccoli added.

Luna Troccoli said the president has not ruled out a political conspiracy. However, he concluded, the president ruled out Army involvement in such conspiracy, because they had their chance on 25 May and obviously, they now cannot take advantage of the situation or act in collusion with some bad Guatemalans.

Honduras

President Callejas To Leave 'Clean Financial Situation'

PA2110162393 San Pedro Sula LA PRENSA in Spanish 18 Oct p 3

[Text] Choluteca—In a political speech delivered over the weekend during the inauguration of several social projects in this city, President Rafael Callejas said that he leaves the country in an almost clean financial situation, as he has paid some 900 million lempiras of the foreign debt.

Addressing presidential candidate Oswaldo Ramos Soto, Callejas said that he said: "Counselor Ramos Soto, I have paid the 900-million-lempira debt I received from

the Liberal administration and I am leaving a few cents for you in the National Treasury."

He added that returning to the past means returning to the dark ages and, therefore, we must move forward "to bring about new and strong hope and renew the lives of the community." According to the president, we must stay the course with the Nationalist economic plan in order to maintain the nation's development process. This must be carried out by "a man with the capability to improve and uphold the principles you voted for in 1989 and will again vote for in 1993.

Callejas added that when he is asked why he plans to vote for Ramos "people expect me to say because I am a Nationalist. Of course I am a Nationalist, but that is not the only reason. I have a wife, children, and a granddaughter, and I want to give them a future."

President Callejas, offering support for the Nationalist presidential candidate, said that "the man that I trust with the future of my children, my wife, and my granddaughter is Attorney Jose Oswaldo Ramos Soto."

Sandinist Plane Flies Into Honduras, Fires Machine Gun

PA2110212893 Tegucigalpa Voz de Honduras Network in Spanish 1541 GMT 21 Oct 93

[Text] According to a special and reliable source, a Sandinist plane flew into Honduran territory and fired several machine-gun bursts yesterday afternoon. The incident occurred at the border. An investigation is being conducted at the site so the Honduran Foreign Ministry can file a protest with the Nicaraguan Government tomorrow or next Monday.

Nicaraguan Ambassador on Incident

PA2210001193 Tegucigalpa Voz de Honduras Network in Spanish 1541 GMT 21 Oct 93

[Telephone interview with Noel Rivas Gasteazoro, Nicaraguan ambassador to Honduras, by Carla Fonseca and the station announcer on 21 October; place not given—recorded]

[Text] [Rivas] Hello, this is Noel Rivas Gasteazoro, Nicaraguan ambassador to Honduras. I am answering questions by reporter Fonseca on the movement of troops in Nicaraguan territory close to the border with Honduras. My government has informed me that the Army began a search for insurgents in the national territory four days ago. There have been a few clashes but no major confrontations.

Relations between the Nicaraguan and Honduran Governments are open and sincere. What is happening in Nicaragua is no mystery. We are not trying to hide anything. In trying to keep peace in the country, the government has remained flexible but has asserted its authority regarding the rebels who have refused to lay down their weapons. The strongest and best known group is that led by El Chacal [Jose Angel Talavera]. That group is made up of some 300 men formerly operating out of Quilali, El Zungano, and San Bartolo. These places are between 80 and 100 km from the Honduran border. The rebels have now spread throughout Nicaraguan territory, probably to Nueva Segovia Department on the border with Honduras. Neither the Army nor the government are sure where these combatants are. They have simply gone deeper into the jungle. I think it would be crazy for them to engage Honduran troops. The Honduran Government does a good job of protecting its border and has every right to do so. We shou'd all agree, however, that this is a delicate situation and that the people should not be unduly alarmed. I am in constant contact with my government. The most recent report I have is a statement for local and foreign reporters by the Nicaraguan foreign minister, who says that the government is trying to resolve the situation with flexibility but without relinquishing its authority. We have no reports that these rebels are operating on the border.

I heard the report on the plane that flew over Honduran territory through Carla Fonseca. Maybe it was trying to give up or to escape its pursuers. I spoke with the Foreign Ministry 15 minutes ago, and the office had no reports on any incident at the border.

[Fonseca] Mr. Ambassador, I understand Honduras and Nicaragua have not discussed any problems of this type at the ambassadorial or Foreign Ministry level.

[Rivas] I know the two governments keep in close contact and that they are both working in agreement. There are no problems between them.

[Fonseca] Any questions for the ambassador, fellow reporters?

[Announcer] Yes, Carla. I would like to ask the ambassador if he knows anything about the reported raid by an armed plane into Honduran territory.

[Rivas] I will repeat what I already said, that I know nothing about it and that 15 minutes ago not even the Nicaraguan foreign minister had heard about the incident. As soon as we have any reports, we will gladly relay them to you.

[Announcer] There are reports that El Chacal is on his way to Honduras with about 100 rearmed men. What is the most recent report you have on this?

[Rivas] I know that he is camped in Quilali, 100 km from Esteli and between 80 and 100 km from the Honduran border. They probably operate in Nueva Segovia Department on the border with Honduras. In other words, to say he is headed in the direction of Honduras means he is moving in that direction, not that he intends to enter Honduran territory. It is his direction, not necessarily his objective. I do not think they are thinking about fighting in Honduras. At most they are trying to escape their pursuers. If that is the case, they will be forced to

surrender their arms as stipulated by international law, something the Honduran Government handles very well.

[Announcer] According to a Nicaraguan report, the Sandinist People's Army launched an operation, thus prompting these men to move toward Honduras.

[Rivas] Well, the operation has been on for the past four days, but no major clashes have occurred, only a few skirmishes with a few Army and rebels casualties. May I repeat that no major clashes have taken place. The operation consisted partly of persuasion, but the authority of the Nicaraguan Government was maintained. These rebels should have laid down their arms on 15 October, six days ago, after several deadline extensions. The Army operation started four days ago.

[Announcer] Have you discussed this with the Honduran Foreign Ministry or any Honduran Government officials?

[Rivas] Yes, I have kept in touch with Honduran Foreign Minister Mario Carias Zapata. I spoke with him about this three or four days ago. He is an alert person, as befits his position, but he is also aware that this is a Nicaraguan problem that the Nicaraguan Government is trying to settle. We hope it will not cause any problem with Honduras.

Nicaragua

Government Urges Haitian Forces To Comply With Agreement

PA2110175393 Managua Sistema Nacional de Television Network in Spanish 0230 GMT 21 Oct 93

[Communique issued by the Nicaraguan Government in Managua on 20 October]

[Text] The Nicaraguan Government, in view of the latest events in Haiti, calls on the forces of that brother country to comply with the Governor's Island Agreement. It also reiterates its support for the resolutions issued by the OAS and the United Nations, and especially supports the blockade ordered by the United Nations to encourage compliance with the agreement mentioned above. The Nicaraguan Government will support the actions adopted by the international organizations in the framework of absolute respect for international law and the right for the self-determination of the Haitian people in compliance with the agreements reached.

[Issued] Managua, 20 October 1993

'El Chacal' Flees To Honduras; 3-80 Groups To Demobilize

PA2110215093 Managua BARRICADA in Spanish 21 Oct 93 pp 1, 14

[Report by Martha Marina Gonzalez]

[Text] Esteli—Lieutenant Colonel Ricardo Wheelock, Sandinist People's Army [EPS] spokesman, reported that Jose Angel Talavera, alias El Chacal, fled Nicaragua yesterday and traveled to the sector of Arenales, Honduras, through the El Rosario-Rio Poteca area with approximately 100 of his men.

Honduran Foreign Minister Mario Carias Zapata said yesterday that his government's position "is firm. If armed individuals enter the country, they are asked to surrender their weapons and are temporarily detained until humanitarian organizations decide whether they should return to Nicaragua or a third country."

El Chacal, who remained north of Murra, crossed the northern border at 1400 with Chacalin, Rayito, and several of his bodyguards.

Wheelock reported that El Chacal supporters who had some participation in the revolt are peacefully returning to the villages.

Members of the Special Disarmament Brigade (BED) went to Quilali to contact subversive elements of the 3-80 Northern Front who expressed their desire to demobilize after El Chacal left them—by going to Honduran territory—Captain Rafael Ramirez, EPS chief in Nueva Segovia, confirmed.

The military chief stated that a group consisting of approximately 25 men of the 3-80 Northern Front led by Martin Negro expressed their decision to join the government-sponsored disarmament plan. This prompted BED representatives to go to Quilali.

According to Ramirez, EPS troops will remain in Quilali until order is reestablished and peasants affected by the presence of armed groups are given guarantees that their produce will be allowed to go to market.

The military mobilization in the North is obvious. Helicopters overfly the area daily. According to military sources, this is because the EPS is promoting the Peace and Stability Plan.

Panama

Column Says Spadafora Ruling 'Compensates' for Poor Image

PA2110150893 Panama City LA PRENSA in Spanish 21 Oct 93 p 1

[From the "As of Today" column]

[Text] The ruling, with which the Chiriqui Province Superior Court found Manuel Antonio Noriega, Francisco Gonzalez Bonilla, and Julio Cesar Miranda guilty, somewhat compensates for the poor image cast by the justice system. It was a trial by judge widely based on the evidence submitted in the proceedings. There is no doubt that Noriega was the mastermind of the crime or that Gonzalez and Miranda perpetrated the horrible

crime against Hugo Spadafora. The national conscience, however, cannot stand that fact that seven former military officers, against whom there is evidence involving them in the crime in one way or another, were left beyond the reach of the justice system. The jury declared them innocent deeming none were perpetrators of the crime, accomplices, or abettors, although that was not a matter over which they had to decide given the way the question was posed. No matter how many attempts are made to extend the constitutional principle that no one should be tried twice for the same crime, the argument cannot be applied in this case because they were only tried as though there were the perpetrators of the crime. There are plenty of legal arguments for the Attorney General's Office to request the opening of a criminal trial against each one of them for the crimes they committed, which are sufficiently proven in the proceedings. If the courts turn down the requests, nothing can be done, but the Attorney General's Office has the legal and moral obligation to try.

District Attorney, Noriega's Lawyer on Spadafora Verdict

PA2110152293 Panama City LA PRENSA in Spanish 21 Oct 93 p 1

[Article by Boris Gomez and Orlando Mendieta C.]

[Excerpts] David (Chiriqui Province)—The Chiriqui District Court has sentenced Manuel Antonio Noriega, Francisco Eliecer Gonzalez Bonilla, alias Bruce Lee, and Julio Cesar Miranda, alias Munecon, to a 20-year prison term for the murder of Hugo Spadafora Franco, court spokesperson Madeleine Miranda reported yesterday.

In their ruling the tribunal's magistrates pointed out that Manuel Antonio Noriega, as commander of the defunct Panama Defense Forces, participated actively as instigator in Dr. Spadafora's murder. [passage omitted]

Winston Spadafora, brother of the guerrilla doctor, said in Panama City that the guilty verdict against the former soldiers mends the mistake committed by a jury that acquitted seven former soldiers linked to the crime. Spadafora, who acted as private prosecutor against Noriega at that trial, added that the Spadafora family is pleased with this verdict, which restored the people's trust in the Judicial Branch. In the opinion of this lawyer, the court issued a fair sentence because the file contains not only evidence linking Noriega, Gonzalez, and Miranda, but also the other former soldiers that the jury acquitted.

Meanwhile, Special District Attorney Carlos Augusto Herrera said that the Chiriqui District Court ruling reflects the work done by the Public Prosecutor's Office in this case. He added that this should lead to the introduction of necessary corrections to the trial by jury and trial by judges systems because of the two different rulings issued in the Spadafora case. Herrera said he is awaiting the court resolution blaming Noriega, Gonzalez, and Miranda for the murder and beheading of Spadafora on 13 September 1985.

On his part, Noriega lawyer Jose Ramiro Fonseca said that the district court's verdict is a "victory for the defense" because, in his opinion, Magistrate Luis Mario Carrasco was forced to invent the figure of criminal presumption to condemn his client. Fonseca announced that he will appeal the ruling. He added, however, that he hopes that the new Supreme Court of Justice, which the next government will supposedly install, and not the current one, will not handle his appeal.

President Comments on Legislator's Arrest in U.S.

PA2110225493 Panama City LA PRENSA in Spanish 21 Oct 93 p 2a

[Report by Orlando Mendieta and Hermes Sucre]

[Excerpt] President Guillermo Endara has said that Labor Party Legislator Anel Ramirez should be prosecuted if his participation in international drug trafficking is confirmed.

The president said this in reference to local and foreign press agency reports that Ramirez is being prosecuted in the United States for his involvement in the introduction of 150 kg of cocaine from Panama.

"I am sorry to see a ranking Panamanian official like a legislator involved in a problem like this. If guilty, however, he should be legally prosecuted," Endara added.

The president said that the behavior of Ramirez, and even that of other legislators who are also reportedly involved, is not a reflection of the Panamanian Government.

Endara revealed that he received a telephone call from Ramirez in the morning of 20 October but was unable to answer because he busy speaking on another line and had to attend an event to which he had been invited.

In this regard, Endara said he asked his secretary to advise Ramirez that he would call him back. The president added that his decision to talk to the opposition legislator is based mainly on the fact that Ramirez is a Panamanian citizen and a legislator.

Endara reaffirmed his regret over what happened to Ramirez. He added that he hopes to talk to Ramirez to find out what he wants and to listen to his explanation. [passage omitted]

Argentina

Defense Minister Expresses 'Annoyance' Over UK Arms Embargo

PY2110140993 Buenos Aires CLARIN in Spanish 20 Oct 93 p 17

[Text] Defense Minister Oscar Camilion yesterday reiterated his displeasure over the embargo maintained by the United Kingdom against Argentina to prevent it from rearming itself.

"It is against any logic that permanent members of the UN Security Council should continue implementing an arms limitation measure against Argentina because of events that took place 12 years ago, when Argentina is currently cooperating with a UN Security Council measure," such as the blockade imposed on Haiti.

The defense minister criticized the British attitude toward Argentina, because "so far there has not been any hint that they will change their minds."

"The arguments continue to be the same, and I have no hope they will change," Camilion answered, when asked whether he had noticed any change in the British attitude on the embargo.

Camilion on several occasions expressed his "annoyance" over interference by the United Kingdom in the negotiations conducted in the United States to buy A-4M "Skyhawk" airplanes equipped with high-precision radars.

Senate Approves Bill for Constitutional Amendment

PY2210022593 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0044 GMT 22 Oct 93

[Text] Buenos Aires, 21 Oct (NA)—The Senate tonight approved in general, by a 32-16 vote, the bill that declares the need for a constitutional reform.

The favorable vote cast by Peronist Antonio Cafiero was welcomed with a standing ovation by the people who crowded the stage set on the second floor of the Senate building.

Government To Advance Debt Interest Payment

PY2110205093 Madrid EFE in Spanish 2038 GMT 19 Oct 93

[Text] Buenos Aires, 19 Oct (EFE)—Buenos Aires newspapers reported today that the Argentine Government will bring forward the payment of $118 million in interest on the debt with foreign private banks. The payment that was scheduled to begin in March 1994 will now be made in November.

Argentina will bring forward the payment of interest on bonds issued during the debt refinancing process "to prevent an accumulation of debts falling due all at the same time and to extend the payments over a longer period," according to Central Bank director Rafael Iniesta.

Argentina refinanced some $25.512 billion in capital and back interest under the Brady Plan. Some $12.664 billion were placed in Brady Plan "face-value bonds," which do not have a reduction on the principal, but which have interest rates "frozen" at a maximum of 6 percent a year. Some $4.31 billion was refinanced through "discount bonds" which includes a 35 percent reduction of the principal and an annual interest rate of the LIBOR rate plus 0.8125 percent per year. The rest are interest payments that were delayed in April 1988 when former President Raul Alfonsin decided to suspend the servicing of the foreign debt.

Argentine officials agree that the amount of delayed interest payments owed to foreign private banks totals $8.538 billion, $1.438 billion more than last April. The delayed interest was refinanced with bonds at variable interest rates, or FRB (Floating Rate Bonds) [preceding three words in English] within the framework of the Brady Plan agreement that Argentina signed last December.

The Argentine FRB bonds will begin circulating at the end of November. They will have a 12-year maturity with payments on the principal every six month and an interest rate equal to the LIBOR rate plus 0.8125 per cent per annum. Official sources reported that Argentina's foreign and domestic debt will stand at $69.435 billion in 1994, some 2 percent up on this year.

The indebtedness of the Argentine state dropped by $10.0 billion this year through the Brady Plan refinancing scheme and the rescue of foreign debt notes with funds obtained through the privatization of public companies.

* Cavallo Predicts 5 Percent 1994 Inflation Rate

93SM0449A Buenos Aires CLARIN in Spanish 4 Sep 93 pp 2-4

[Excerpts] The success of zero inflation has prompted Cavallo to make an ambitious prediction: In 1994, retail prices will rise by 4 to 5 percent. He took the opportunity to point out that this level is typical of developed countries. Another fact emphasized by the minister and his secretary, Juan Llach, is that the zero increase in August, which was the first in many years, occurred in a context of free prices and economic deregulation.

Domingo Cavallo predicted yesterday that next year "the retail inflation rate will be 4 or 5 percent, just as in developed countries." The minister made this forecast buoyed by the zero inflation rate reported for August, something that President Carlos Menem had already revealed last Thursday at the Industry Day dinner.

The finance minister gave a press conference to highlight the best news the government could hope for before the legislative elections: This inflation rate is the lowest in 25 years. [passage omitted]

The government also broke a wholesale price record, since the August increase (0.4 percent) makes for a cumulative inflation rate of 0.7 percent for the last 12 months. In several months, there was actually deflation.

"This shows that the deflationary process is taking place continually, without a pause," emphasized Cavallo. But the greatest accomplishment was bringing down inflation without resorting to price controls or wage freezes.

For this reason, the minister demurred when it was suggested that there is some similarity between this figure and the one achieved in 1974 by Minister Jose Ber Gelbard. "One process has nothing to do with the other. There are no controls here; there is freedom. There is no artificiality," he concluded.

Without anyone asking him to do so, he also made a distinction between the indices achieved by Adalbert Krieger Vasena in 1969. "During those days (when Juan Carlos Ongania was in office), there were restrictions on freedom. Now institutions are fully functional, both economically and politically," he stated.

It was Juan Llach who found a historic parallel for the August numbers: "This is comparable only to what happened in the administration of Alfredo Gomez Morales, between 1953 and 1954," during the second presidency of Juan Domingo Peron. Someone with a good memory might point out, however, that during those years there were also price ceilings, and that the "campaigns against agio and speculation" were the order of the day.

The Figures

Aside from the political considerations that surrounded the publicity about this index, there are technical reasons that explain the fall in inflation and tie it closely to the progress of the convertibility plan.

One of the most significant ones is the sharp deflation that took place in the clothing and tourism industries. In the former, the combined effect of the influx of imports, end-of-season liquidation sales, and the overall decline in sales, had an obvious impact.

In the case of tourism, the results show that there is a great seasonal difference, as prices rise during the high season and then fall when demand contracts.

At any rate, it was services that took center stage again, resisting the downward trend of other sectors. Cavallo tried to minimize this phenomenon, claiming that "in some cases, such as rents (1.9 percent), we see that there has been no decline, but they are not going up as fast as in previous months."

In this regard, Llach reinforced his boss's statements. He told CLARIN that "if no sector but services had increased, August inflation would have been 0.3 percent. That is a good sign, because last year this structural floor was 0.7 percent."

Nevertheless, the zero inflation rate in August also boomeranged on the government. People in the streets were skeptical about the figure. It so happens that the general feeling in department stores and supermarkets is that prices were not as stable as the statistics suggest.

"Some people may disbelieve our figures. But the vast majority believe in the benefits of living with stability, and they are happy about it," said Cavallo, defending himself.

Llach approached the issue from another angle. Rather than dismissing the skeptics, he made this comparison: "If we look at the 60 main products in the family basket, we can see that one-third went up (such as gourds, which rose 48 percent), another fraction stayed the same, and another fraction saw prices plummet (lettuce down 19.6 percent)."

Finally, Cavallo stated that he was happy because wholesale prices increased by more than retail prices: "This means that what some call the exchange-rate lag is reversing," he indicated, implicitly acknowledging that there is a distortion in relative prices because of the fixed dollar price.

Yesterday the only indicator that contrasted with the others was the index of construction costs, which rose by 3 percent. According to National Institute of Statistics and Census (INDEC) figures, the increase was driven by the 8.9-percent rise in labor costs and the 2.4-percent growth in overhead.

29 Months of the Cavallo Plan

Indices	% Change Between March 1991 and August 1993.
Cost of living	50.7
Wholesale prices	8.6
Construction	46.4
Dollar (average)	5.4
Food and Beverages	**% Change Between March 1991 and August 1993**
Meats	61.3
Fruits	43.8
Dairy and eggs	57.2
Vegetables	117.2
Alcoholic beverages	54.6
Soft drinks	44.7
Clothing	**% Change Between March 1991 and August 1993**
Underwear	19.4

Outerwear	7.4
Shoes	10.4
Entertainment	**% Change Between March 1991 and August 1993**
Games and toys	52.6
Books, newspapers, and magazines	32.8
Tourism	32.8
Audio and video	9.4
Shows	90.5
Transportation and Communications	**% Change Between March 1991 and August 1993**
Transportation	33.5
Mechanical	16.7
Communications	36.1
Housing and Home Maintenance	**% Change Between March 1991 and August 1993**
Rents	142.4
Services (*)	41.2
Cleaning implements	22.1
Home repairs	58.9
(*) Includes gas and electricity	
Health and Education	**% Change Between March 1991 and August 1993**
Medications	33.0
Health services	90.4
Private school tuition	70.5
Textbooks	15.6
Others	**% Change Between March 1991 and August 1993**
Cigarettes	25.8
Hygiene	17.1
Hair care	96.9
Source: CLARIN, based on INDEC data	

[Box, p 4]

Specialists: Some Euphoric, Others Cautious

No one claimed to be surprised by the news announced the night before last by President Carlos Menem, and made official yesterday in the information released by the INDEC. Private sector specialists had initially estimated that inflation would be at least 0.4 percent, however.

In any event, the specialists who were asked about the news agreed that the absolute zero figure has great symbolic importance.

Hector Valle, former director of the INDEC and currently head of the Research and Development Foundation (FIDE), admitted that the zero-percent figure is a reflection of the maturity of an economic model, in which "prices are contained by the immovable dollar and the opening up of the economy."

The exchange rate, he said, is validated by a major influx of capital from abroad, which is stimulating and financing imports and curbing domestic prices. "The other side of the zero-inflation coin is that real wages are losing their buying power."

Those who advocate policies that call for controlling the market only with "the invisible hand," that is, without any regulations at all, hastened to make a distinction between Domingo Cavallo's zero and the zero achieved exactly two decades ago by Jose Ber Gelbard, at the beginning of the third Peronist government.

"The merits of this economic team are much greater than those of Gelbard. Today there is absolute market freedom, almost without regulations," declared former Economy Minister Roberto Alemann. "In contrast, in 1973 we had a highly regulated economy, and prices were controlled by the state. That was a false zero."

The former official stated that low inflation is the fruit of a balanced budget, deregulation, and the predominance of supply factors, which keep profit margins shrinking.

Economist Miguel Broda, almost euphoric—he had predicted 0.7 percent in early August—declared that from now on, not only will we have to get used to this type of price index, but a deflationary period, something Cavallo has dreamed of, is very feasible.

Osvaldo Retondaro, of the Retondaro-Costaguta Studio, indicated that the stability of the price index was the result of four main factors: deflation in food, clothing, entertainment, and the cost of electric power. "Rarely do we see a coincidence of this sort."

Putting his memory to the test, Retondaro said that the cumulative 9.1-percent CPI [Consumer Price Index] inflation figure for the last 12 months is comparable only to the best 12 months of the period when Adalbert Krieger Vasena was finance minister. Between June 1968 and May 1969, annual inflation was 6.8 percent, while Gelbard's best year, with deflation of 5.7 percent in January 1974, yielded an inflation rate of 17 percent.

The economists at the Latin American Economic Research Foundation (FIEL) are also satisfied with the inflation figures, according to Abel Viglione. He emphasized that this proves that deregulation is working. He pointed out that farm products are primarily responsible for the 0.4-percent rise in wholesale prices.

* Drawbacks, Limits to Privatized Services Reported

94SM003A Buenos Aires CLARIN in Spanish 13 Sep 93 pp 20-21

[Article by correspondent Oscar Martinez]

[Text] Combining evidence of indebtedness, credits received, and shares to be issued, the total debt of privatized companies is somewhere in the neighborhood of 2.5 billion. The red ink results from the fact that their cash flow is not sufficient to make the investments promised in privatization offers. What is even more serious is that the indebtedness of these public services could result in another heavy burden for the state.

The official announcement of the issuance of over $1 billion in evidence of indebtedness and stock in privatized enterprises in the 60 days ahead has once again brought up the question of the business debt.

With one difference, however: No longer is it a matter of run-of-the-mill private companies (however big or small), but of monopolies that provide nearly all the essential public services, which worsens the possible risk of massive indebtedness.

Now that the privatization process is nearly complete, a number of limitations affecting new privatized services are emerging. Blackouts, gas shortages in the wintertime and water in the summer, and high telephone rates are more than recurrent annoyances. They point to inadequate investments—in terms of time and amount—which worn-out public services and their consumers are urgently demanding.

According to the offers for bids, new owners of privatized enterprises must make a series of investments amounting to $4.8 billion for 1993 alone. However impressive it may be, the figure is but a small part of the $36 billion that must be invested between 1992 and the year 2000.

Where will the money come from? The idea of those heading privatized companies was to make maximum use of the cash flow of enterprises providing public services. However, the cold facts of the companies' numbers convinced them that it was not possible. Except in the case of telephone companies, private managers say the amount taken in from services provided is not enough to cover the enormous investments promised.

The only solution left was to issue evidence of indebtedness or shares, which three electric power companies will do over the next two months. However, the solution is not that simple for the rest: "Power plants can go to the market because they have profits, but our losses are still too great for us to be able to attract anyone," one electric power distributor executive confessed with great regret. One essential requirement for quoting shares on the open market is that companies doing so publish their balance sheets quarterly. As a result, companies in the red have little chance of selling their stock at prices in keeping with their worth.

The other possibility was for partners in new privatized companies, including such leading firms as Perez Companc, the Plata Commercial Company or Astra, for example, to inject their own capital into the floundering firms. "That is impossible. Most used up their debt capacity by buying the firms, and little is left for them to invest," explained one expert on mergers.

Finally, the last alternative: going into debt, which ended up being the path chosen by most big companies privatized (see box), sometimes in order to make essential investments (as in the case of the deficit-ridden Esesur and Edenor) and, in other cases, in order to increase their productive capacity (as in the case of the Northern Gas Transport Company). However, most, if not all, of the companies providing public services began a never-ending process of going into debt.

Why is it so serious for these companies to go into debt in this manner?

The answer is that any economic or financial setback in these companies would have special significance: With the possibility of bankruptcy ruled out, and since it is impossible to halt the services they provide, solutions to indebtedness can come solely from the government (as has already happened in the case of Argentine Airlines), with greater benefits for private concessionaires (gas) or an even larger burden on consumers, i.e., rate increases.

[Box, p 20]

Shares, Evidence of Indebtedness

According to economic theory, businesses have few ways to obtain funds. The most common are the issuance of stock, bank credits, evidence of indebtedness, and capital contributions. These four main variants do not offer the same advantages or the same obligations for businesses. Consequently, when it comes time to choose financing, privatized firms are opting first of all to issue evidence of indebtedness and then issue shares. These means of financing function as follows:

The issuance of shares: the healthiest from the standpoint of business indebtedness because the investor who purchases the shares actually acquires stock in the company and will earn money (or not) based on the company's operation and economic results. It also poses the greatest risk for investors. In this country, experience with issuing shares in privatized companies is limited to Telecom, Telephone, and the YPF [Government Oil Deposits] because no date has yet been set for when stock in the steam-generating stations will go on the market.

Bank credits: Big companies use bank credits less and less. They are of some use at best when short-term funds are needed (to pay wages or taxes, for example). The greatest drawback to this system is that bank costs make the loans very expensive.

Issuance of evidence of indebtedness: This consists in the issuance of some type of bond bought by big investors, which may or not be quoted on the Exchange and which guarantees the buyer a specific rate of interest on capital borrowed. It has the advantage of being cheaper than bank credits and is therefore designed for longer

terms. It is usually done abroad and debts are then obviously expressed in a foreign currency.

Capital contributions: These are funds invested by partners in a company. In the case of privatized businesses, they involve capital that can be contributed by the companies that now own a controlling share in the formerly government-owned businesses. However, with the exception of the controversial case of Argentine-Iberian Airlines (it is not known whether or not there was any capital contribution), no known cases exist.

Bolivia

U.S. Embassy Accused of Plot Against Supreme Court Chief

PY2210024493 La Paz Television Nacional Network in Spanish 0100 GMT 22 Oct 93

[Excerpt] Supreme Court President Edgar Oblitas charged the U.S. Embassy with organizing a plot to behead the Judicial Branch. Reporters asked him: What is the embassy's objective?

[Begin Oblitas recording] That is exactly what we are trying to find out. There are indications leading to the conclusion that the U.S. Embassy is pressuring the executive branch in order to have a lenient Supreme Court that will grant all the extradition requests submitted to the court, despite the fact that there is no extradition treaty with the United States. This is apparently the objective, so they have a lenient Supreme Court that will extradite all Bolivians to the United States. [end recording]

Oblitas also referred to THE BOLIVIAN TIMES newspaper, which was the first to report on Hugo Galindo's charges against Edgar Oblitas.

[Begin Oblitas recording] THE BOLIVIAN TIMES is part of this plot and everything that is happening now. [words indistinct] is the mouthpiece of the U.S. Embassy. THE BOLIVIAN TIMES. [applause] [end recording]

During this news conference, Dr. Edgar Oblitas was accompanied by Justice Hugo Dellien, against whom Hugo Galindo also pressed charges of bribery.

All La Paz court members and many relatives and friends of Oblitas, who also were present in the Supreme Court's honor hall, expressed their support for Oblitas. [passage omitted]

Supreme Court Justices Accepted Bribes in Extradition Case

PY2110182093 Madrid EFE in Spanish 0318 GMT 21 Oct 93

[Text] La Paz, 20 Oct (EFE)—Antonio Ibarra, former deputy minister of the Nicaraguan presidency, today explained to EFE that to prevent extradition to his country, and with the assistance of the U.S. Embassy in La Paz, he pretended to bribe a justice and unmasked, through videotape, those in Bolivia who were trying to extort him.

Bolivian Interior Minister German Quiroga today granted a news conference and showed the video, in which Ibarra is seen handing money, bill after bill, to former Supreme Court member Hugo Galindo, so as to ensure that Supreme Court President Edgar Oblitas and other justices would vote against Ibarra's extradition.

In a call from Cochabamba, the Nicaraguan politician told EFE that Galindo demanded $15,000 for each one of the seven justices who would vote against his extradition. The Supreme Court has 12 justices. According to Ibarra the video was filmed by U.S. experts at his home in the Bolivian city of Cochabamba. He said he had agreed to the filming, and that within the framework of their efforts against corruption the Bolivian officials cooperated.

Ibarra arrived in Bolivia in 1991 on a U.S. passport, and settled in Cochabamba, 400 km east of La Paz, to head the Communications Department and teach at the Catholic University. At the end of 1992 the Nicaraguan Government charged him with alleged misappropriation of public funds, and asked the Bolivian Government to extradite him.

On 4 October the Bolivian Supreme Court rejected the extradition petition. For almost one year Ibarra was under house arrest and could not teach. According to him, he was approached several times by people trying to extort money from him in the name of the Supreme Court. He added that he has an eye illness that cannot be treated in Bolivia, and that his vision has already been reduced by about 60 percent.

Ibarra explained: "When I was first approached, I immediately reported to the U.S. Embassy in La Paz that people were trying to extort money from me to ensure that the Bolivian Supreme Court would vote against my extradition to Nicaragua." Ibarra added: "The Bolivian Government is indebted to me for my contribution in its fight against corruption in the Judicial Branch." He said, however, that he did not ask for anything in exchange for his cooperation in clarifying the extortion attempts allegedly performed by some members of the Supreme Court.

Galindo has been arrested, and the Bolivian Interior Ministry has instituted a lawsuit against the Supreme Court president and the other justices, who will be impeached before facing ordinary court trial.

Minister, Attorney Confirm Charges

PY2110183293 La Paz Radio Fides Network in Spanish 1100 GMT 21 Oct 93

[Text] This high-level act of corruption involving the bribing of Supreme Court justices has shocked all Bolivians. In a news conference Social Communications Minister Hermann Antelo, Minister of Government German

Quiroga, and District Attorney Javier Dibbs have confirmed the charges published by THE BOLIVIAN TIMES:

[Begin Antelo recording] I must inform you that an extremely serious case of corruption has been proven. It directly involves Supreme Court President Edgard Oblitas and Justices Hernando Cepe, Hugo Galindo, and Ernesto Poppe Zubieta. The Government Ministry has documents confirming these charges. They will be made known to the public and handed to the national Congress. [end recording]

In an exclusive interview with the director of Radio Fides, Father Eduardo Perez, Dibbs made important comments on the scandal involving the justices.

[Begin recording] [Dibbs] It has definitively caused harm to the country, and is embarassing to the Bolivian people. Its resolution cannot be any further delayed.

[Unidentified reporter] We understood that the government and THE BOLIVIAN TIMES have released these reports based on investigations by the District Attorney's Office. Is there enough evidence to prove that there is corruption in the Supreme Court?

[Dibbs] If we did not have enough evidence we would not have reported the act.

[Reporter] Does that mean that the Supreme Court, which has the last word in many cases, is comprised of corrupt citizens?

[Dibbs] Definitely. Delays in issuing rulings, negligence, and sometimes a lack of professional training make it possible for corruption to exist in our country. This evil exists in our country and is not new. It has always harmed our nation. If these corruption cases are not reported, if they are not punished, we will certainly be condemned to live in a corrupt country.

[Reporter] Is it proven that Jose Antonio Ibarra, former Nicaraguan Presidency vice minister, paid Supreme Court President Edgar Oblitas Fernandez to vote against his extradition to Nicaragua? These charges appear in THE BOLIVIAN TIMES and in a recording. Do you believe this recording is reliable?

[Dibbs] Yes, it is, and we have enough evidence to prove that.

[Reporter] Does that mean that Edgar Oblitas, president of the Bolivian Republic Supreme Court, will be impeached on corruption charges?

[Dibbs] Yes, definitely yes. [end recording]

Brazil

Franco's 'Senseless' Gesture in Political Crisis Viewed

PY2110201993 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Oct 93 p A3

[Editorial from the "Notes and Information" page: "The President Merely Worsened the Crisis"]

[Text] When, during a crisis that affects Congress, the chief of state says he is willing to shorten his mandate if Congress agrees to do the same and to call general elections, we can be sure we are facing a very serious political event. The crisis that is currently affecting Brasilia—and therefore the whole country—affects the Legislative Branch, a few former ministers, and two of President Itamar Franco's ministers who still does not know if they are being accused of corruption in their position as ministers, as Congress advisers, or as senators. In light of this, the gesture by the president of the Republic is totally senseless.

It is even more senseless given the fact that Congress already has expressed its willingness to investigate the case. Not only has a congressional investigating committee, CPI, been constituted—the CPI president and sponsor are two men with the greatest political prestige and ability to conduct the investigation while preserving the institutions, the honor of the people, and the law—but a movement also has begun among congressmen to force those members summoned to testify before the CPI to not use their congressional immunity to avoid indiscreet questions or uncomfortable investigations. By saying that he is willing to leave—as long as others also are willing to leave—President Itamar Franco merely confirmed to the public that the exercise of power annoys him and that he would prefer—as he confessed some time ago—to spend the rest of his days by the river smoking a homemade cigar and drinking good Minas Gerais brandy. The president of the Republic obviously never believed his suggestion would be rejected by Congress or that society would interpret it as a sign that something very serious was going on at Planalto Palace. He never thought the stock exchanges would react the way they did (a problem that perhaps does not bother the president, as he has clearly stated on several occasions).

Strange rumors have been circulating in Brasilia for some time. Some say that, in a moment of anger, President Franco allegedly ordered his closest advisers to find out whether he still had time to resign from power and run for a Senate post! Another rumor said he considered it better for the country had he not assumed power and called elections for a new president of the Republic instead. They were rumors. But now it is not a rumor. Now we know that Franco wants to leave and that his departure depends on whether Congress also wants a rest. A crisis that was restricted only to Congress could turn into a national crisis of proportions difficult to measure. And all because the chief of state considers

his responsibilities somewhat heavy. Or could there be other reasons? Could it be that those "other reasons" are the awareness that much of this crisis that affects each of us derives from his changing spirits, from his lack of preparation for the exercise of his functions, and from his scorn for petty economic issues?

Unfortunately for the country, the president of the Republic does not like responsibilities or the protocol that goes with power. In Santiago, Chile, [during the recent seventh Rio Group Summit] he eloquently demonstrated that the responsibility he imposed on himself by agreeing to be the vice presidential candidate and by swearing on the Constitution, is a burden for him. It was too heavy a burden for him to stand in line with the other Rio Group presidents and be part of a news conference. The pretext for his irritation was that journalists might have asked him about domestic issues. He considered it too troublesome to give diplomatic answers to inconvenient questions—which is why he sent a representative. Of all the protocol and official ceremonies in Santiago, the most lasting in his memory must be his visits to the Santiago shopping malls...

Despite the difficulties that arise in some sectors, Congress knows how to solve its problems because if it does not respond to the importance of the situation, it will be digging its own grave and will be covered with a shovelful of lime thrown during the 1994 elections by a fairly annoyed society. To make things worse, the president will continue postponing important meetings in which economic decisions must be made because Congress is under the pressure of the public opinion. The president will find pretexts to postpone other meetings and avoid making decisions that may place him in a bad situation with those who do a passable impersonation of the magic mirror of the evil queen in the story of Snow White. The problem is that, after suggesting that his mandate and Congress' be shortened, no one will be able to negotiate anything with any minister if the object of negotiations depends on the "approval" of the president of the Republic. The president has shown that he does not like exercising power. The problem is that, according to the Constitution, Itamar Franco is president of the Republic and he must remain in that post until 1 January 1995.

Formal Request for Farias' Extradition Submitted to UK

PY2110234393 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 21 Oct 93

[Text] The Foreign Ministry already has submitted a formal request for the extradition of Paulo Cesar Farias to the British Government. Foreign Minister Celso Amorim said:

[Begin recording] Today at 1000 I called the British ambassador and at the same time our ambassador to London was at the Foreign Office and submitted a request for vigilance on citizen Paulo Cesar Farias and that he be prevented from leaving the United Kingdom. Later, upon receiving a formal request from the Justice Ministry after a telephone contact I personally made with the justice minister, we formally submitted a request to the British Government for the extradition of citizen Paulo Cesar Farias from London. [end recording]

Corruption Charges in Rio Grande State Government Viewed

PY2110223993 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Oct 93 p A6

[Report by Ayrton Centeno]

[Excerpt] Porto Alegre—Drugs, dollars, and corruption are weaved into a story that is weakening the administration of Governor Alceu Collares (PDT) [Democratic Labor Party] in Rio Grande do Sul State. A CPI [Congressional Investigating Committee] created by the state's Legislative Assembly on 14 October began investigating a corruption scheme installed within in the government apparatus. The scheme is headed by Celestino Ignacio Elizeire Junior, a brother of First Lady Neuza Canabarro.

Elizeire Junior and his partner Tomas Edison Acosta are detained at Porto Alegre's Central Prison. On 22 September they were caught red-handed at a Porto Alegre downtown office with 300 grams of cocaine and 400 grams of marijuana. That was the beginning of the scandal. Six days later entrepreneur Rosalino Zorzi thought it was a good moment to present a document at the Legislative Assembly, which provoked the decision to install the CPI to investigate his report.

Zorzi said he had to pay $100,000 to lobbyists and state government officials to get the Collares administration pay off old debts to his firm—Arcobaleno Projects, Constructions, and Incorporations. The entrepreneur said that Collares' brother-in-law Jorge Debiagi, the territorial planning and public works secretary, and Luiz Abadie, a former vice president of Rio Grande do Sul State Bank (Banrisul) participated, among others, in the scheme. Zorzi presented a nine-page dossier to Governor Collares before resorting to the Legislative Assembly, without obtaining any answers. [passage omitted]

Chile

* Government Presents Bill on Subordinated Debt

93SM0433C Santiago EL MERCURIO in Spanish 28 Aug 93 pp B1, B28

[Text] The government announced yesterday the new version of the law that will modify banking laws with regard to new business activities, to which the financial institutions will have access, as well as in the form of payment of the subordinated debt. Although the text of the proposal was not made available, some of its main points were made public, which represented changes from the original proposal.

With regard to the subordinated debt, an obligation of ten institutions since the beginning of the 1980s—US$3.8 billion—the proposal of the executive branch seeks to establish a maximum term for the repayment of the debt, which was set at 40 years. Basically, two principal options are offered to accomplish this.

The first, which affects those banks with a term of payment of less than 40 years, keeps the present form of payment—it allocates about 70 percent of bank profits—but it also includes an efficiency test, which is defined as each institution must be assured a minimum profit.

The second option is designed for those banks with a term of payment of more than 40 years. In this case, the initiative of the Executive proposes two variants. One is to convert part of the debt into convertible bonds, which would be sold at auction in 10 years. The other alternative is that the banks commit themselves to pay the debt in 40 years and if in any of those years the banks do not generate sufficient funds to make the payment, they must pay the difference by means of convertible bonds that the Central Bank will sell.

In any case, this part of the bill seems to offer enough options so that most banks will regard the proposal positively.

According to some estimates, of the 10 banks under consideration, four belong to the group making payments in less than 40 years. These are the Sudamericano, Osorno, Edwards, and Desarrollo. These banks do not seem to have any serious problems accepting the "efficiency test" as defined by the authorities.

In the second group, those with a payment period of more than 40 years, are included the Chile, Santiago, Banesto, Internacional, and Bhif. The situation is more complex here because, at the beginning, these institutions did not accept the proposed formula, which only considered the issue of convertible bonds.

This is the situation that explains the flexibility introduced by the government into the final plan, as it was considered essential for the success of the initiative that the banks accept the proposal, especially the Bank of Chile and the Bank of Santiago which, together, account for two thirds of the total debt.

How Matters Now Stand.

The Bank of Chile has requested for some time that it be given the option of paying the debt in 40 years. It is worth mentioning that, according to some studies, in a situation of high profits, the country's largest bank could pay its liabilities within that period.

The official proposal, in fact, offers the option for these banks to reach an agreement with the Central Bank for payment within the 40-year term which, in some ways, meets the requirements of the Bank of Chile in this aspect.

The situation at the Bank of Santiago is different. The bank is not able to pay in 40 years. Therefore, it would be required to issue bonds if it accepted the proposal. Two problems arise here. The first is that the original standard held that the current bank owners did not have a preferential option over all of the bonds, but only over 30 percent, which corresponds to the part of the profits that they receive today (the remaining 70 percent goes to pay the debt). Under this plan, it is clear that during the sale procedure, there could be a change in the bank's ownership, a situation opposed by the major shareholders, in this case the Luksic group.

A second problem is that which regards the payment of the so-called "letter," which corresponds to the part of the subordinated debt that is being paid today. The government wanted to lengthen the payment period to 40 years, as a way of increasing the Central Bank's cash flow. However, this solution was not feasible for the Bank of Santiago because it would mean a large drop in its profitability.

To solve both problems, the proposed bill has what is described as "merger incentives." And, coincidentally, these incentives solve the precise problems of the Bank of Santiago.

It is well known that the Luksic group has been interested for some time in the merger of the O'Higgins Bank with the Bank of Santiago, but the matter has been delayed precisely because of the subordinated debt problem. But the doubts are vanishing now because, among the "merger incentives," it is believed that the Central Bank should negotiate the sale of the bonds directly with the interested parties, without the need for bidding. In this way the current owners will be assured of not losing control of the bank. The services of two international agencies will be used to determine the economic value of the bonds.

As for the "letter," in the event of a merger, the plan also considers the possibility of renegotiating its form of payment in such a way as to overcome the Bank of Santiago's problem of profitability. In this case, the bank's path would be notably cleared in this respect.

It is worth pointing out that this solution also suits the Banesto and the Bank of Concepcion, which also tried to merge some time ago, but were stopped by the Superintendency. Now, this situation could be resolved and the problems of the subordinated debt solved as well.

But even though the situation of the subordinated debt may be resolved, the same is not true of the other portion of the project: the new business to which the financial institutions will have access.

In this case, although many banks consider the proposed opportunity for new business to be minor, in the end the majority accepted the offer, believing it to be better than nothing.

Still, what has always been rejected is the government's idea of excluding from new business opportunities of those banks that have a subordinated debt and do not accept the new form of payment. Although the government gave in on this point in the beginning, agreeing to put aside this condition, at the last moment it was again included.

Therefore, in keeping with the project, the only banks that will be allowed access to new business will be those which do not have debts "with no defined term of payment," a situation which fits precisely those institutions with subordinated debt not payable in 40 years.

This subject will certainly be the cause of many arguments in Congress, which would run counter to the government's aim of a quick passage. In any case, there is some doubt among bankers that the initiative will finally be approved by the present government, because of the complexity of the material and the Congress's crowded agenda. Nevertheless, the government is very optimistic on the subject. It will be necessary to wait and see what happens.

* Frei To Promote Direct Election of Mayors

94SM0010A Santiago LA NACION in Spanish 13 Sep 93 p 6

[Text] Presidential candidate Eduardo Frei has announced his commitment to promoting an amendment of the municipal constitution to allow the direct election of mayors during the coming government term of office.

Frei, who attended a meeting with the mayors and council members of the Concertation in the metropolitan region, said that the community must be allowed to elect the highest authority of the collective so as to establish, through the vote, the clear acceptance or political sanction of the municipal administration.

He said that this reform should confirm the mayor as the head of the local administration; invest the role of the council members with dignity and include the assignment of work areas; and provide for replacement of the mayor by the council members in a specified order.

The candidate emphasized his intention of assigning the municipality a decisive role in the realm of social programs and projects, since close association between the municipal authorities and the community makes it possible to adapt the actions taken to the various real situations.

With regard to the Santiago municipalities, Frei proposed that they undertake joint action on such problems as traffic, the urban regulatory norms, natural catastrophes, and pollution.

"Success is achieved in communal administration when the mayor is able to articulate the local interests without losing sight of the good of the community, working jointly with the regional governments to achieve this end," Frei said.

The candidate called upon all of the mayors and council members in the Concertation to become real leaders in their communities, above and beyond ensuring proper administrative management.

He also urged the mayors to renew their commitment to overcoming poverty in the communities and to providing access to a better quality of life, health, and education.

The standard-bearer of the Concertation also spoke about the 90 days remaining in his presidential campaign. He said that during this time, intensive work will be done with a view to prolonging the Concertation government, and thus to defining the capacity of the collective for political action until the end of the century.

"We can say today that our objectives are clear—to win the presidency and to elect a parliament that will work with him on the basis of a conscientious voting process," he said.

In this connection, Frei emphasized that regional and communal work is the path to the solution to the aspirations of the country. "It is vitally important that we know how to meet the concrete needs of the people, and this is our principal political task," he said.

The candidate stated that the campaign of the Concertation has its own style, and there is no desire to allow it to be affected by other attitudes. "Let us allow the others to make false electoral promises. We, on the other hand will continue to pursue our responsible style, and to do what we say we will," he said.

In conclusion, Eduardo Frei said that the Concertation is the only political force capable of leading Chile along the path of liberty, solidarity, progress, and decentralization.

Colombia

Candidates React to Congress Passing New Subsidies

PA2110225793 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 21 Oct 93

[Report by Raul Gutierrez from the "24 Hours" newscast]

[Text] The presidential candidates have spoken out on the resurrection of the so-called disguised congressional subsidies, which had been banned by the National Constituent Assembly.

The ball is in President Cesar Gaviria's court. The president must sign the bills approved by Congress in order that they be valid; he must bear in mind the possible unconstitutionality or violation of the criminal code of the bill by those who passed the budget law.

The president did not offer his opinion on the matter today and said the candidates did not let him speak. The candidates did give their opinions.

Andres Pastrana said the president should not sign the bill.

[Begin Pastrana recording] The president should not erase with his elbow what he wrote with his hand. Today the Constitution states there should be no Congress subsidies. We do not want disguised Congress subsidies. [end recording]

Antonio Navarro is studying possible lawsuits against the budget, including one against Finance Minister Rudolf Hommes and the congressmen who passed the bill.

[Begin Navarro recording] We are willing to do whatever is necessary to prevent it from staying as it is. It was approved by a majority which has decided to disregard the Constitution and national opinion. [end recording]

Ernesto Samper believes Finance Minister Hommes was wrong.

[Begin Samper recording] I believe we have been left with a bad taste in the mouth because of the way in which the bill was passed and the way the debates were held. [end recording]

It should all have been left in the hands of the fund for regional projects, according to Samper.

The president now has 20 days to sign the sour budget law.

* Candidates Urged To Discuss Economy 'Objectively'

94SM0001A Santa Fe de Bogota EL TIEMPO in Spanish 13 Sep 93 p 4A

[Editorial: "Liberalization, Trade Associations, and Politics"]

[Text] Speaking at the closing session of the Fedemetal [Colombian Federation of Metal Industries] Assembly a few days ago, President Gaviria asserted that any attempt, even a mild one, to close off the economy would cause "tremendous" damage to the country. At the same event one of the Liberal presidential hopefuls, Ernesto Samper, indicated that economic liberalization had to be made gradual and selective. As was to be expected, "economic liberalization" has become the economic issue of the campaign.

It is fine to discuss economic matters in depth. That is as it should be. But it is important in such discussions to look at the economy as a whole, not just at the particular interests of certain sectors. Not because the latter, the interests of trade associations, are not legitimate, but because if they take precedence over the general interest, the rest of the economy could be hurt.

The proposal to reverse trade policy is surely appealing to many businessmen for whom the economic environment has changed dramatically. They have had to move from the world of "protection" to the world of the "marketplace." This is not easy. Yet as one of the directors of the Bank of the Republic noted recently at another assembly, that of the ANIF [National Association of Financial Institutions], the fact is that from the standpoint of the national economy, backtracking could be "disastrous" in view of the prospects for accumulating international reserves. To close our economy would thus be tantamount to revaluing our currency again, with all of its adverse impact on production and exports. What is better for industry?

The relationship between economic liberalization and revaluation is not easy to grasp. Most people think that liberalization is responsible for the revaluation of the peso and for the ills of industry and agriculture. The fact is that the delays in freeing up imports were the cause of the peso's revaluation in 1991 and 1992; hence, when foreign exchange is abundant, it is absolutely essential to preserve and intensify economic liberalization.

In this regard, presidential hopeful Humberto de la Calle's remark in a message to ANIF that "lower imports equal another revaluation" is true. The best example of this comes from Japan and has been widely written up in international publications. The political crisis in Japan can be largely attributed to the collapse of an economic model (domestic protection and an accumulation of reserves) that could not be maintained after 40 years of proven success owing to how much the yen had been revalued. As the new Japanese Government has already announced, a complete restructuring of the economy is on the way in an effort to open up and deregulate it.

Getting back to Colombia, it is obvious that the presidential election campaign has begun in earnest and that the public at large must get to know the positions of the various hopefuls on economic policy. The mass media, for their part, should carefully and objectively present the implications of the different economic proposals and make space available to those who are able to explain whatever differences may exist among the options. The fact is that technicians do not steer the economy in a vacuum but rather as a result of political choices. Therefore, when people go to vote, they must understand the potential economic consequences of their decision.

* Andres Pastrana's Electoral Prospects Viewed

93SM0456A Santa Fe de Bogota SEMANA in Spanish 21 Sep 93 pp 30-35

[Text] Why Isn't This Man Talking?

Andres Pastrana continues to lead in the polls by not opening his mouth. What is the explanation for this strategy and how long can it last?

This has never been seen before. According to certain polls, Andres Pastrana Arango is ahead of Ernesto

Samper and, according to others, is tied with him in the race for president of the Republic. Therefore, he has become the Conservative candidate with the best chance of winning a presidential election since the days of Belisario Betancur more than a decade ago. Nevertheless, his ideas, proposals, and programs are complete unknowns to Colombians.

With the presidential election eight months away, Pastrana is keeping quiet and continues to postpone the start of his campaign. In the meantime, his main rival has been campaigning for four months, with tours through various cities around the country, periodic press conferences, closed-door speeches, a generous budget, and, at this stage of the campaign, he has a staff larger than any in the country's history.

Although Samper, who was almost 20 points behind Pastrana in February, has made a comeback, the fact is that the most recent numbers show that his counterattack has fallen short and that the trend which brought him even with the former Bogota mayor in July is barely holding up or has even started to reverse itself.

True, there is still a long way to go, and Samper can only be assessed fully if and when he wins the primary and becomes the sole candidate. But it is also true that the Pastrana phenomenon deserves analysis because of the many voters who intend to vote for him and because of the absence of any specific proposals from him.

The Strategy of Silence

If there is anything that Andres Pastrana is being criticized for, it is his silence. But if there is anything that the Conservative presidential hopeful is sure about, it is that he is going to remain silent for several more months. What is the explanation for this approach in a country where traditional politics has been linked to speeches and statements?

The first thing that needs to be said is that in spite of or, some think, thanks to his silence, Pastrana is leading or at least running even in the presidential race. And in keeping with an old and very simple rule of political strategy, if what a candidate is doing is working, he should keep doing it.

But aside from the fact that Pastrana's strategy has been working so far, he has been lucky that his rival, Ernesto Samper, is not doing that well with the opposite strategy, which was to start first with a major offensive, in keeping with the old proverb that "the early bird catches the worm." The fact is that having begun his campaign four months ago, a year before the presidential election, has forced Samper to voice opinions on everything and to commit himself on issues that, like social security, divide the public. Therefore, he has undergone an erosion of support that understandably goes hand-in-hand with being alone on stage under the permanent scrutiny of the media and the public.

As if this were not enough, Samper is encountering the problems that tend to arise for a candidate who has brought together around three-fourths of the Liberal congressional bloc. "The Samper bus is overloaded," an adviser to the Liberal presidential hopeful told SEMANA, "and this makes it hard to drive." Evidence of this appeared last week when one of the two strong men in the Samper campaign, former Minister Horacio Serpa Uribe, called a press conference to announce that he would not run for the Senate. He also denied rumors that he would be leaving the Samper staff over differences with the other strong man, former Senator Fernando Botero Zea, but acknowledged that such differences exist.

Moreover, Samper is faced with a complex predicament: what to do as president. As development minister he had several fights with the economic authorities, but he has still had trouble portraying himself to the public as an opponent of Gaviria and as someone who would change the current administration's policies, not only because both are Liberals but also because many sectors place them in the same generation. In any event, Samper has tried to keep his distance, which has not always helped him. First came the proposal to halt the debate on social security, which he had to reverse later, substituting a forum that contributed little or nothing to an already overly extensive discussion. And last week he made statements to the magazine CREDENCIAL that annoyed Gaviria greatly because they contained some harsh words about the economic liberalization program.

Samper's advisers recommended at the start of the campaign that he keep his distance from Gaviria. But while Samper is being forced to display his finest talents as a conciliator and problem-solver on all these issues, Pastrana remains silent, waiting for the weeks to pass, his idea being to conduct a lightning campaign between February and May of next year, a campaign based on issues, not ideas and programs, just as he did when he ran in the first popular election of mayors in 1988.

Luck and Wise Decisions

But Samper's problems alone do not explain why Pastrana is doing so well. He has a brief track record. Ten years ago, when Samper had already been the coordinator of Alfonso Lopez's presidential campaign and was politically active in Bogota, Pastrana was taking charge of the news program "TV Hoy" and looked more cut out for journalism. Nonetheless, the briefness of his career is offset by uncommonly good luck, which has prompted some, such as Conservative presidential hopeful Rodrigo Marin, to say that Andres Pastrana "has more luck than talent."

The phenomenon of the young Conservative aspirant can also be explained by a series of wise decisions. The first was to become the news anchor on "TV Hoy" in 1987, thanks to which in a few weeks he achieved the sort of popularity that television can generate when someone is on camera every night. The second was to

run for mayor of Bogota just a few months after becoming the news anchorman. There was more luck than wisdom in this move: not only did the Liberal Party split between two candidates, Carlos Ossa and Juan Martin Caicedo, but also in the thick of the campaign Pastrana survived a kidnapping by the Medellin Cartel, during which he became a well-known and beloved national figure despite living through the most harrowing moments of his life.

The combination of good luck and wise decisions was once again in evidence during his term as mayor. He was the first to undertake a privatization, in garbage collection, when there was little talk of such an option, and, by and large, the experiment worked well for him. In addition, he was lucky enough to see his administration coincide with the period of major service startups in the development plan for the water supply system, which had been under way since the days of Hernando Duran Dussan. Thanks to this there were newspaper photos and TV footage of Pastrana turning on water taps in dozens of poor neighborhoods in the southern part of the capital, Colombia being a country where the shortage of water supply systems is a tragedy.

A third wise decision was not to run for the Constitutional Assembly in 1990, as this was to be the scene of the last great battle of his father, former President Misael Pastrana. He was lucky here because the former chief executive had a bad time of it at the assembly, as he was steamrollered by the bandwagon of Liberals, Alvaro backers, and M-19 people who put together the definitive pacts of the Constitutional Assembly, a development that heralded a changing of the guard in the Pastrana household.

The setback for his father, who withdrew from the assembly a few weeks before it closed, and the revocation of Congress's mandate, which Pastrana senior opposed, created an exceptional opportunity for Andres. It was then that he made another risky decision. Amid the turmoil into which the Conservative Party had been plunged, the former mayor created a new political party: New Democratic Force (NFD).

"He could have put forth a Conservative slate for the Senate and won the biggest nationwide vote total in that party. But even so he would have been still just another Conservative. Instead, he founded his own party and got eight senators elected. He thus joined the big leagues and became one of the political chiefs with whom the administration had to negotiate," an adviser close to Pastrana told SEMANA.

His performance in the 1991 congressional elections prompted his next decision, one of the boldest that he has made. During the ministerial crisis in June he signed a political accord with Gaviria, at a time when the president's popularity was plummeting due to the blackout, and he backed an unpopular tax hike, all in exchange for two posts in the cabinet. Once again luck was on his side. In time the blackout faded away, and other disasters during the Gaviria administration, such as Escobar's escape, were forgotten. Today, Andres Pastrana is comfortably seated in the bandwagon of an administration that is making a comeback in the polls. As Conservative Senator Fabio Valencia Cossio told SEMANA, "Andres' fate is tied to Gaviria's. With Gaviria the country joined the trend toward young leaders, and if they do well, Pastrana will." In other words, although Samper is a Liberal, he decided to bet against the administration, anticipating a decline in its popularity. Pastrana, although a Conservative, decided to bet on Gaviria, anticipating an upswing for him.

The Conservative presidential hopeful's luck seems inexhaustible. Even when he has decided to speak up and been bombarded with criticism for "putting his foot in it," as happened with the proposal to halt the negotiations on the dispute with Venezuela, Lady Luck has stood by him. A few days later Venezuelan President Ramon J. Velasquez and the bilateral commissions reached the same decision, and the former mayor was able to say that he had been right.

But aside from his luck and from having made risky decisions that have ultimately stood him in good stead, Andres Pastrana possesses one of those political intangibles without which it seems almost impossible to win over the public: charisma. Not the typical charisma of a good speaker. His is different. Pastrana could be described as a modern, rightwing populist, a variety that seems to be in vogue.

A second factor that seems to weigh heavily, to judge by the polls, is that Pastrana is perceived as an independent who owes nothing to anybody. This is indeed odd when we bear in mind that he is the son of a former president who has been particularly aggressive and active in politics for almost two decades, and that his status as the heir apparent ought to bother the public. The reason that this is not true in the case of Andres Pastrana seems to be that as Conservative candidate Rodrigo Marin says in describing the former mayor's advantages, "He has the name Pastrana, which has already been sold, which people already recognize, but his name is not Misael."

The Stumbling Blocks

The fact is that his father's continued presence represents one of the major stumbling blocks that the young Conservative candidate must dodge in his run for Narino Palace. Many Liberals to whom Andres Pastrana appeals are reluctant to vote for him because they see the former president behind him.

Aware of this, the heir apparent in the Pastrana household has tried to distance himself from his father. And although he is finding it hard, he has made some gains. The main one is his alliance with Gaviria, because if there is anyone who is dishing it out to Gaviria, it is Misael Pastrana, both directly and through his newspaper, LA PRENSA, which is run by his son Juan Carlos. In fact, this is not the first time that Pastrana, Jr., has hit it off with a Liberal president and thus opposed his

father. When Misael Pastrana headed the opposition to Virgilio Barco's administration, Andres, then mayor of Bogota, built bridges to the president because he was convinced that without aid from the central government and, in particular, from the Finance Ministry, his efforts as head of the district, which was in debt up to its ears, would fail.

In getting out from under his father's shadow, Andres Pastrana has had this advantage: as the daily editions of LA PRENSA show and in contrast to what has always been believed, the former president's favorite son is Juan Carlos the journalist, not Andres the politician. In fact, Misael and Juan Carlos identify with each other ideologically not only in their violent opposition to the Gaviria administration but also in their criticism of economic liberalization, privatization, the massive layoffs of civil servants, and the hardline policy in law and order. The fact is that the former chief executive, who governed under the banner of the social pact and changed his party's name by adding the word "social," has statist ideas similar to those of his good friend Rafael Caldera, the Venezuelan Social Christian. It is odd. It would not be going too far to say that from a purely ideological standpoint Misael Pastrana is closer to Ernesto Samper, who favors a gradual liberalization, than to his son Andres, who wants public services privatized. All in all, the ideological differences are not that noticeable to most people. One of the worst catastrophes that could befall Andres Pastrana in his campaign would be for his father to show his face.

A second and no less delicate issue is the position that the former mayor ought to take vis-a-vis the Conservative Party. Pastrana, Jr., owes much of his success to his image as an independent and to the fact that many of his followers, especially young people, see him as above the parties, not as a Conservative. This ought to prompt him to continue his NFD agenda and not to allow himself to be pigeonholed as a Conservative. But if he does this, he could lose the support of major regional Conservative chiefs, whose contribution to a campaign that promises to be hard fought cannot easily be ignored.

A few months ago Pastrana had the advantage that the Conservative Party was in such turmoil that ultimately most of its legislators were willing to join his campaign and rebuild the party around it. In recent months, however, thanks to the work of colonels like Jaime Arias, Fabio Valencia, and Gustavo Rodriguez, the Conservative Party has revitalized itself and is moving toward unity. The crucial moment in this process will be the November convention, which, aside from sealing its unity, is supposed to decide on the rules for choosing its candidate.

If Andres attends the convention and does not accept whatever rules are established there, he will surely win, as he has a very wide lead over the other contenders. But if he goes to the convention and abides by the rules, he will be marked as a Conservative and will no longer be the outsider he is now. The alternative is to ignore the Conservative convention and its candidate-selection rules altogether and carry on as an independent candidate until the first round of balloting. But how much support would that cost him inside his own party? This is precisely something that Andres Pastrana and his advisers have not yet figured out. And whatever decision he makes, it will carry a price. What they have to decide is which option will help him the most.

Amid all of these thorns there are some roses too. The head of the NFD has two advantages that could be very significant in this campaign. First, he has very good financing, and since his strategy is to remain silent, he is spending very little. A right-wing candidate with any chance of winning has to raise funds galore. In Colombia, like anywhere else in the world, money is still decisive in elections. By continuing to postpone the start of his campaign, Pastrana will have his coffers full in January when the electoral battle begins in earnest.

The other major factor in his favor is political, not economic. The mayors of Medellin and Cali are two good friends of his and, besides having a large bureaucracy at their disposal, they are popular in their respective cities. Luis Alfredo Ramos and Rodrigo Guerrero are Conservative mayors whose prestige could bring victory in the two other major Liberal strongholds after the capital of the Republic. In contrast, Samper cannot have very high hopes about Bogota, owing to the political disarray arising from the snarled relief efforts, the independence of voters in the capital, and the fact that Pastrana is very popular there.

But What Does He Think?

All of this is just fine when it comes to campaign analysis, strategy, and planning. Andres Pastrana's silence is, thus, understandable but not necessarily tolerable in the eyes of voters.

If the head of the NFD has a good chance to be the next president, then Colombians are entitled to know something about him, and Pastrana has a duty to break his silence and set forth his ideas and programs. The country knows about his good luck and charisma. But above and beyond this, it is important to learn what he thinks and, especially, what he knows about issues as delicate as the economy, public administration, law and order, and international relations. The idea that he has good people around him has gained currency, having to do mainly with the good image that his "alter ego," Development Minister Luis Alberto Moreno, enjoys. "Since Andres does not put out much and does not seem to have much energy, people look for someone else as an explanation for his success," says Rodrigo Marin, alluding to Moreno's popularity. But even if the praise for his advisers is well-deserved, Colombia is a country in which a president is faced with critical, delicate, and unforeseen situations, and even if one's advisers are very useful, there are many times when the nation's fate rests almost exclusively on the maturity and sound judgment of the chief executive.

Ecuador

Duran-Ballen Vows Not To Dissolve Congress

PA2210015193 Quito Voz de los Andes in Spanish 2300 GMT 19 Oct 93

[Text] Quito—President Sixto Duran-Ballen has said he will not dissolve the Congress, which has stopped the debate on and approval of government proposals dealing with state modernization and privatization.

In a news conference after returning from Chile, where he made an official visit and participated in the Rio Group Summit, he said the Congress in independent, and as president of the Republic, all he can do is obey it. He also said: Closing Congress is not permitted by law, which I swore to obey. Today I affirm that this is precisely what I will do. Any other action that entails going against the Constitution and the law would be tantamount to betraying the country and my own conscience.

Duran-Ballen, Congress President Meet To Review Problems

PA2210015493 Quito Voz de los Andes in Spanish 2300 GMT 21 Oct 93

[Text] Quito—Congress is about to conclude a long process to approve a crucial bill that was sent by the government in February to modernize and privatize the obsolete state apparatus. The Legislative Branch almost completed its work last night but lacked the necessary quorum. The presidents of the Executive and Legislative Branches held an unprecedented meeting today to settle differences and overcome their problems.

President Sixto Duran-Ballen met in private with parliamentary leader and Liberal Party member Samuel Belletini for approximately one hour at the government palace. The meeting was attended by Government Minister Marcelo Santos. The two interlocutors expressed their willingness to use dialogue and understanding to find the best way to settle problems between the state branches and problems that afflict the country.

Government Minister Santos Vera talked with the journalists who cover events at the government palace. He referred to the Congress president's morning visit to the president of the Republic to analyze various issues of national interest that are being closely followed by Ecuadorans, particularly the teachers' strike, which has taken a radical turn.

[Begin Santos recording] The visit correctly reflects what prevails in the Ecuadoran people's hearts and what has been demanded by all groups in our community; that is, dialogue and communication.

The visit by a high-ranking official or representative of one state branch to another cannot be interpreted at any time as a recognition of defeat or victory. This should not be considered when seeking solutions to important problems in the country.

Many of the problems discussed dealing with the close relations between the two state branches included the education sector's problem and the teachers' strike, which has negatively affected the country and one of its most important concerns: the education of our young people and children. The president's position in that regard was clear. He ratified the national government's definite and categorical decision to maintain the principle of authority, protect and uphold the principle of respect for law, fulfill the duties outlined by the Constitution of the Republic, and guarantee that the state's basic services to the Ecuadoran people are rendered on a timely basis. [end recording]

Vice President Denies Charges of Destabilization Planning

PA2210012693 Mexico City NOTIMEX in Spanish 0032 GMT 22 Oct 93

[Text] Quito, 21 Oct (NOTIMEX)—Ecuadoran Vice President Alberto Dahik dismissed charges by opposition deputies who identified him as the mastermind of a plan to destabilize the democratic regime.

Consulted by reporters at the close of a seminar on economic reforms that opened in Quito today, Dahik declined to comment on charges by Deputy Fernando Rosero of the Ecuadoran Roldosist Party [PRE].

"One of the essential characteristics of the government (of President Sixto Duran-Ballen) is that is does not waste time with nonsense but uses it for more productive things," he said.

Rosero charged on Wednesday that this past weekend Dahik "knocked at the doors of the garrisons" in search of military support for an alleged plan that would take him to power.

Liberal Deputy Samuel Bellettini, president of the Congress and a bitter political enemy of the vice president, said he did believe Dahik was capable of such a thing.

He said Dahik probably planned to first dissolve the opposition-controlled Congress, which he accuses of blocking government plans for the state's modernization and economic reform.

The Ecuadoran vice president dismissed the charges against him and said the country "has reaffirmed its democratic essence," which is guaranteed by the political conduct of President Duran-Ballen, "who has been a stanch supporter of democracy for over 40 years."

Congress Approves State Modernization Law

PA2210040493 Quito Radio Quito in Spanish 0303 GMT 22 Oct 93

[Excerpt] We have some last minute news: A few minutes ago the plenary session of the National Congress' permanent legislative commissions approved the controversial state modernization law, which will be sent to the president on Friday for his approval or a total or partial veto. The agreement reached on Wednesday between political factions in the legislature allowed the necessary consensus for the controversial articles to be approved by a two- thirds vote by the 15 [figure as heard] congressmen in attendance.

With this law the National Congress has defined the president's power to privatize INECEL [Ecuadoran Institute of Electrification], EMTEL [State-Owned Telecommunications Company], Petroecuador [Ecuadoran State Petroleum Enterprise] and its subsidiaries, as well as the telecommunications superintendency.

The 15 parliamentarians present, according to the previously established agreement, granted the president the right to lead and dictate rules so the CONAM [National Commission for the Modernization of the State] can execute the privatization processes. According to the original text of the law, this was going to be the task of the National Modernization Council. Likewise, the congressmen included in the law compensation for public sector workers who resign voluntarily. [passage omitted]

Paraguay

President Asks Health Under Secretary To Resign

PY2110221893 Asuncion ABC COLOR in Spanish 21 Oct 93 p 23

[Excerpts] The health under secretary, Dr. Samuel Brunstein Riveros, who was performing his duties as usual yesterday morning, surprisingly resigned in the afternoon at the request of President Juan Carlos Wasmosy. Dr. Andres Vidovich Morales, a member of the Colorado Party's militant Stroessnerist faction and current head of the Health Ministry's Planning and Evaluation Department, will be acting health under secretary. Last night the chief executive confirmed to journalists that he had asked Dr. Brunstein for his resignation but did not explain why.

The acting health under secretary was installed yesterday afternoon and the ceremony was attended by the heads of all Health Ministry departments. [passage omitted]

When journalists asked Dr. Brunstein to tell them the true reasons for his resignation, Brunstein answered: "No comment, no comment. I have nothing for the press."

This reaction is very strange for Dr. Brunstein, who has always been very open with the news media. He was very upset yesterday and seemed to be unable to hide the fact that he was very nervous. Dr. Brunstein's resignation came as a real surprise, but it is believed that serious problems with construction done during Dr. Brunstein's tenure as IPS [Paraguayan Social Security Institute] president that led to huge losses in terms of medical equipment severely irritated the president yesterday.

[Asuncion RPC Television Network in Spanish at 1550 GMT on 21 October during its regular noon cast carries a three-minute interview with Brunstein, who explains that the president requested his resignation due to "some documents that had to do with professional courses" when he was IPS human resources director "five years ago."]

Wasmosy Seeks Chilean Partner for Munitions Factory

PY2110181993 Asuncion ABC COLOR in Spanish 15 Oct 93 p 20

[Article by special correspondent Nestor Escobar]

[Text] Santiago—Wasmosy said here that our country owes $12 million for an explosives factory installed in Piribebuy during former President Alfredo Stroessner's administration. Wasmosy proposed to the Chilean Government the creation of a "joint venture" [preceding two words in English] between the two countries' Armed Forces to exploit the factory and pay-off the debt. The Paraguayan president did not say, however, to whom do we owe that money.

Wasmosy met for about 25 minutes with his Chilean counterpart Patricio Aylwin at La Moneda Palace. After the meeting he said: "In Piribebuy there is an explosives and ammunition factory the dimensions of which greatly exceeds what our country can consume. We have a feasibility study to seek a partner in another country. Our proposal to create a 'joint venture' with Chile to exploit the factory was well received. First, we need the capital to start operating because the factory is closed and then we need to study ways to share the ammunition, or whatever it can be produced there, between the Paraguayan and Chilean Armies."

Asked if he was talking about Military Industries, Wasmosy said: "No. It is something else. I have just found out we owe $12 million on this factory, which is not finished. It was not built during General Andres Rodriguez' administration, it was built by the administration before that."

Asked if the $12 million is being paid, Wasmosy just said that the debt is being claimed, but again omitted to mention the name of the creditor.

The Factory was Sold by Belgium

The official data on our country's foreign debt on 31 July indicates that our obligations with Belgium totaled about $7.5 million of which $6.3 million was overdue principal payments and $1.2 million on overdue and unpaid

interest. According to official circles, the debt discussed by Wasmosy involves a Belgian loan to Stroessner's government. This loan was exclusively allocated to construct the explosives and ammunition factory that could not be finished. Nevertheless, the initial repayment deadlines were scheduled for August 1989.

Apparently, Rodriguez' government did not take up this issue because the Belgians refused to discuss it during the "negotiations" with the international organizations seeking a solution to the problem.

President's Mediation In Business-Union Talks Fails

PY2110202193 Asuncion ULTIMA HORA in Spanish 21 Oct 93 p 11

[Excerpt] The dialogue that was expected to lead to a consensus over partially modifying the Labor Code ended up as a monologue by business and labor union representatives. President Juan Carlos Wasmosy's efforts completely failed.

The Executive Branch initiative to reach a consensus between employers and labor unions over a possible modification of the draft Labor Code, if the veto against it is rejected by the Senate on 28 October, failed last night.

The sudden support by Wasmosy for a possible rapprochement between businessmen and workers crashed headlong into the intransigent position of the two sectors.

The second meeting was presided over by Justice and Labor Secretary Juan Manuel Morales, who acted as moderator but, despite his "good offices," none of the interested parties agreed to take "even a small step backward." [passage omitted]

President Creates 'Antismuggling' Commission

PY2110204393 Asuncion PATRIA in Spanish 21 Oct 93 p 1

[Text] The country's president issued a decree creating a special antismuggling organization. The commission will be under the jurisdiction of the Finance Ministry's Taxation Under Secretariat.

The decree's preamble instructs the commission to fight smuggling throughout the nation's territory and oversee the strict implementation of customs regulations because Paraguay's many natural and artificial borders prevent the appropriate officials from effectively preventing smuggling. The decree also states that the Taxation Under Secretariat will be in charge of oversight and verification and control of the merchandise and goods that circulate through Paraguayan territory. The decree sets forth that all stationary and mobile checkpoints, current or future, will be under the exclusive jurisdiction of the Taxation Under Secretariat, which has been duly authorized to define the anti-smuggling commission's powers and organization of duties.

Peru

Terrorists Detonate Car Bomb; Kill Two, Injure Dozens

PA2210021093 Lima Global de Television Network in Spanish 0144 GMT 22 Oct 93

[Text] We have a last minute report: Terrorists detonated a car bomb a short time ago at the intersection of Calloma and Ocona Streets. A preliminary report indicates that two persons were killed and dozens were injured. We will provide further details later on.

Shining Path Expert: Organization 'Finished'

94WR0006W Lima LA REPUBLICA in Spanish 7 Sep 93 pp 13-15

[Interview with Raul Gonzalez by Angel Paez; place and date not given]

[Text] Raul Gonzalez, one of the most prestigious analysts of the violence in the country, maintains that SL [Shining Path] has ceased to be a threat to the Peruvian state, although it will continue killing and detonating car-bombs for several years, even beyond 1995.

During this interview, the first for Gonzalez since his return from a long sojourn in Spain, the analyst asserts that SL is a "finished affair," because the extremist group has lacked a strategy since Abimael Guzman's arrest on Saturday, 12 September 1992.

[Paez] When Abimael Guzman was arrested, you indicated two possible consequences: first, that the Shining Path bases would surmount the blow, but be incapacitated for restoring the party's leadership; and, second, that the minority movement would capture the top echelon and assume the subversive organization's leadership. What really occurred?

[Gonzalez] The arrest took place while there was an intense struggle between a majority movement, headed by Guzman, and another minority one, to which Osman Morote belonged. In that context, with the top echelon affected, either the majority would reestablish itself or the leadership would be captured by the minority. With the passage of a year, the scenario is different, because there is a third sector vying for hegemony in SL. Everything indicates that the majority has not overcome the blow, nor has the minority assumed the party's leadership. A reading of the Shining Path activity during the past few months does not reflect a leadership, but rather quite individualized regional activity. This means that the only member of the Permanent Commission left free, Oscar Ramirez Duran, has not fully succeeded in taking the party reins; or, otherwise, that the regional committees have ignored his leadership.

[Paez] What is that third sector that has joined the battle for power within the SL Party?

[Gonzalez] With a year elapsed, if what was left of the majority has proven incapable of maintaining the continuity of its hegemony, it will never again be able to achieve this. Nor will the minority, with all the more reason. Of all the regional committees, the one with hegemony will be that of Huallaga, because it has the money required to support the party apparat. The members of the Huallaga Regional Committee are the ones who will end up dominating the party, because they have large amounts of money. And that money will achieve what the ideological disputes have failed to resolve.

[Paez] On what do you base the claim that the Huallaga Regional Committee will be the one to take over the leadership of the SL apparat?

[Gonzalez] There are two real facts: the weakening of an actor that was dominating part of the Huallaga territory in which coca is grown, namely, the MRTA [Tupac Amaru Revolutionary Movement]: an area in which SL has influence now. And the second is that the Regional Committee has access to large sums of money coming from the drug traffic. And anywhere, whoever has money has the power.

[Paez] What changes would the party leadership in the hands of the Huallaga Regional Committee entail in the SL strategy and ideology?

[Gonzalez] After 1988, the strategy developed by Guzman in 1980 ceased to be valid, because reality proved that it could not be put into practice. Since then, the Senderist movement has begun losing influence increasingly in the rural areas. Nevertheless, other analysts believed that they discerned a qualitative advancement in the Shining Path transfer to the urban areas; whereas, in fact, this was not occurring. In the document titled "Let the Strategic Balance Shake the Country," Guzman, using a term that he was in the habit of applying, sanctions a change in strategy. He no longer talks about seizing power, or the People's Guerrilla Army, but refers to the creation of a National Liberation Front and an Army of National Liberation. For this reason, in my view, the entire offensive of July 1992 (considered by some to herald a SL victory for 1993) was intended to provoke a kind of external and internal intervention that would enable them to justify the formation of a National Liberation Front and an Army of National Liberation. Because Guzman had ceased to believe in the people's war from the rural to the urban area, and in the construction of a new social order based on the rural area.

[Paez] The transfer of the war's center to the urban area was a strategy of "President Gonzalo," devised and sanctioned by Guzman. Therefore, is it possible to specify the damaging of the SL top echelon as due to Guzman's own mistakes?

[Gonzalez] They once took a poll inquiring whether the dissemination of the video in which Guzman appears dancing was appropriate. And a large majority, many of them highly intelligent intellectuals, claimed that the video's presentation would have an effect contrary to what the government's was seeking. On that occasion, I, on the other hand, claimed that the significance of the tape was not Guzman's intoxication, or the fact of seeing him alive for the first time. It was, rather, that Shining Path had ceased to be an impregnable, impenetrable group, and that his capture was a matter of days or months. And, particularly significant was the fact that, for the first time, the government was moving toward the offensive.

A Costly Individual Mistake

[Paez] What prompted Guzman to persist in an erroneous strategy, based on the unrealistic notion that the rural area was controlled; whereas, in fact, hundreds of anti-SL patrols were cropping up?

[Gonzalez] I have two hypotheses: One is the character of Guzman, who thought that he possessed the truth and was never mistaken. Until the last moment, he refused to accept the fact that the strategy of seizing power politically and militarily, devised by him, had failed. Second, all the information that he was receiving from his regional committees on the progress of the war had obviously been overestimated. But Guzman also believed the story of some analysts, who claimed that SL would triumph in a year. He believed that he saw in the disintegration of the state, in the ruined country left by Alan Garcia, rather than the effect of a disastrous government, the results of his own party's action. I think that he was confused, because SL was incapable of training cadres with the capacity to make decisions or to lead a trade union. The party became a killing machine in 1985, and not just during the past few years. What Lima has observed since 1990, but more blatantly in 1992, is an exaggerated activity by Guzman, whose sole concern is the political presence, and proving internally that his position was correct.

[Paez] Are the massive crimes in Ayacucho campesino communities and Indian communities in the Central Jungle the violent death throes of an organization that is breaking apart, or a return to the reconquest of the rural area, correcting the course of action undertaken by Guzman?

[Gonzalez] SL is a finished affair. That is my impression. Let me explain: The difference between SL in 1992 and 1993 is that, in the first instance, it had a modified strategy for the political and military capture of the state. SL in 1993 lacks a strategy. History does not record a single example of power seized by detonating car bombs and assassinating persons. There are only cases of victorious revolutions resulting from historical processes, which are not occurring in the country at present. And I say that it is a finished affair, not because it is liquidated, for we shall continue to coexist with assassinations and

car bombs for several years, even after 1995. What I say is that the present Shining Path lacks the capacity to seize power, and would not even be able to destabilize either the government or the Peruvian political system: something that SL, indeed, achieve when it was headed by Guzman. So, there is a very great qualitative difference. Now, Shining Path is a terrorist group, pure and simple.

[Paez] You claimed that Guzman's capture represents the elimination of "Gonzalo thinking." Do you still maintain that assertion?

[Gonzalez] If "Gonzalo thinking" was the equivalent of the political and military strategy for seizing power devised by Guzman in 1980, then that "Gonzalo thinking" has been buried since 1988; because, as we have noted, he proposed a change of strategy starting in the latter year. In 1987, Osman Morote was calling for a substantial change in the strategy, claiming that the alleged contribution by "Gonzalo thinking" to the world revolution was no such thing. Now, why then did SL last so long? It did so because the main problem that the government must confront existed, and still exists in Peru, and is still the main problem to be confronted by the government. It is the existence of an absolutely minority social sector, but one that is willing to kill and embark on an adventure of this type. And perhaps this same rationale will continue to attract cadres for a few more years. Resolving the problem of that social base is as important as finally capturing the Shining Path's top echelon.

[Paez] Isn't it, in fact, too optimistic to proclaim that SL will be completely liquidated by 1995?

[Gonzalez] Optimism, when it is handled wisely, becomes an effective incentive for attaining a goal. Optimism per se is not bad. If a person deals with a problem pessimistically, he ends up failing. What does constitute a mistake is arrogance, and thinking that the victories won today are due more to individual than collective action, as certain persons close to the government suggest.

Winning the War

[Paez] And isn't that arrogance what has generated excesses in the antisubversive battle?

[Gonzalez] For a long time, especially during the first years of the war, the democratic groups claimed that the military should realize that repression must not be indiscriminate, but rather selective. But when the repression began to be selective, criticism also appeared. Previously, there was talk that the president had no clearcut objectives and was not leading the antisubversive battle personally. And now, when Alberto Fujimori sets the goal of defeating SL by 1995, stating that he is the one directing the strategy, the critics claim that this is bad. There is no need to be mean, and we should learn our lessons. I am among those persons who, in 1980, maintained that SL should not be underestimated. For this, they called me a pro-SL, even saying that I had exaggerated. After 1990, the roles were reversed, because I had to request that Shining Path not be overestimated, and that it be considered in its exact dimensions. The country's problems are so serious that we cannot afford to make similar mistakes again; because, just as the triumphalist vanity of certain figures is harmful, opposition for the sake of opposition is harmful as well.

[Paez] But hasn't the price paid for that strategy, in the context of which the still unresolved incidents in Barrios Altos and La Cantuta occurred, proven too high?

[Gonzalez] Which strategy are we discussing?

[Paez] The one applied by the government.

[Gonzalez] That is another point to be debated. I am among those who have stressed the existence of a strategy, while the critics have denied it. There has always been a strategy, whether certain persons like it or not. That is another problem. The first strategy, the one implemented after 1982, is the one prioritizing the military area. And in 1987 a change occurred. There has been a strategy allowing the creation of patrols, and replacement of the politico-military commands by the fronts. Now then, as for successes or failures, or the costs of implementing a strategy, and, specifically, in connection with the La Cantuta and Barrios Altos incidents, I will not make a judgment until the investigations being conducted are completed.

[Paez] It is claimed that the government has a video on which the public capitulation of Abimael Guzman is taped. If the story is true, would a substantial new change occur in the war undertaken by the SL?

[Gonzalez] Expressing opinions on suppositions or conjectures is a mistake that we should not make.

[Paez] But is Gonzalez's capitulation possible?

[Gonzalez] If that situation ever occurred, what would happen is that one sector of SL would accept Guzman's decision, and another sector would claim that he was massacred and tortured to force him to say that, and that it is all false. There will always be some claiming that it is true, and others maintaining that it is a lie. That is why it is better not to express an opinion on conjectures.

* Current Status of Shining Path Founders Viewed

94WR0006X Lima EL PERUANO in Spanish 10 Sep 93 pp A6-A7

[Unattributed article: "A Year Ago the Myth of Abimael Guzman Was Destroyed"]

[Text] A year since Abimael Guzman's capture, amid an atmosphere of pacification prevailing throughout the country, the political decision of the president of the

republic, Alberto Fujimori, to issue the legal regulations required for punishing the crime of terrorism needs to be retrieved and underscored.

Daniel Espichan, special prosecutor for cases of terrorism, remarks: "President Alberto Fujimori issued two decree-laws in 1992, before Abimael's capture, whereby the crime of terrorism is punished. Without this legal framework, we would not have been able to progress with the arrest, trial, and sentencing of terrorists."

Daniel Espichan notes that, between 1981 and 1991, 575 terrorists were penalized; whereas, from the promulgation of the new laws in 1992 until this year, 689 subversives have been punished. This brings the total of those convicted from 1981 until 1993 to 1,264. Of that total, over 200 have been sentenced to life imprisonment.

The prosecutor declared: "In all these major achievements, it is important to stress the work of the Armed Forces and the National Police, and particularly, the personnel from Dincote [National Counterterrorism Directorate] and Sina [National Intelligence Service]. But, most of all, we must congratulate the citizens who have lost their fear of terrorism and have been cooperating by reporting subversives, so that peace may continue to progress."

With regard to the Law on Repentance, issued as Decree-Law No 25499, of 12 May 1992, over 700 subversives have taken advantage of this law to date.

The effort to dismantle the [SL] Shining Path Central Committee and, later, to capture its top-ranking leader, Abimael Guzman, dates back slightly over three years.

On 1 June 1990, Dincote's patient endeavor led to the discovery of one of Guzman's hideouts at a dwelling in Monterrico; marking the beginning of a long trail that would ultimately lead to the capture of "President Gonzalo."

The material confiscated assumed unique importance: including data and clues that reinforced the evidence that Dincote had up until that time. The department for SL's organizational support, one of the eight auxiliary organs with which the Central Committee was established at the First Congress, held in 1989, was uncovered.

This entity was the direct link between the Central Committee and the party's other organs. On the same day, a dwelling was searched in the Los Sauces urban development, located three blocks from the cottage in which Abimael would be captured years later. It was the site on which the party's support group was operating.

Three months later, on 19 September, there was a raid on the Central Department, a support organ very close to Guzman, from whom it was receiving express orders. Nelly Evans Alvarez Calderon was in charge of it, and Angelica Salas and Elena Iparraguirre, Abimael Guzman's private secretary, were members.

By 1991, the dissolution had extended to the translation group (8 May) and People's Relief (22 June). The "kingpins" were beginning to be caught, and the Politbureau was already being affected.

Yovanka Pardave, one of the latter's nine members, was intercepted while preparing to leave a house in San Martin de Porres. Caught with her were Tito Valle Travesano, her live-in companion, also a member of the Central Committee, with alternate status; and Victor Zavala Catano, a military commander ranking second in People's Relief.

In 1992, Dincote raided EL DIARIO's clandestine editorial offices, where it captured Jorge Luis Duran Araujo, younger brother of the now fugitive, Teresa, and relative of Oscar Alberto Ramirez Duran.

On 3 July, Dincote made an incursion in the Cesar Vallejo Academy, headquarters of the Logistics and Economy Committee, headed by Luis Alberto Arana Franco.

The operations and captures continued until that 12 September 1992, at 2040, when Abimael Guzman Reynoso, the most wanted and elusive man in the country, was captured at a cottage at No 459 First Street, in the Los Sauces urban development of Surquillo.

During the operation led by General Antonio Vidal Herrera, commanding a group of well-trained and prepared men, not a shot was fired. Apprehended with Guzman were two vitally important members of the organization: Elena Iparraguirre, the Shining Path's number two figure, and Laura Zambrano Padilla, the replacement for Alberto Ramirez Duran, alias "Feliciano," who is currently a fugitive. Also captured was Maria Pantoja, the key figure on the Metropolitan Committee.

This trio comprised the Permanent Committee of the PCP [Peruvian Communist Party]-SL, and Zambrano was also in charge of the Lima-Ica Metropolitan Committee.

The captures triggered a chain explosion thereafter. The entire Permanent Committee and six members of a total of nine from the Politbureau are now behind bars and serving sentences. Of the 19 full members of the Central Committee, 11 are imprisoned or dead. Only nine of those who were elected at the First Congress are reported to be alive or free.

[Box, p A6]

Central Committee
1. Politbureau 1.1) Permanent Committee:
1. Abimael Guzman Reinoso, alias "Gonzalo" (imprisoned)
2. Elena Albertina Iparraguirre Revoredo, alias "Miriam" (imprisoned)
3. Oscar Alberto Ramirez Duran, alias "Feliciano" (fugitive)
1.2) Members of the Committee:
4. Hugo Deodato Juarez Cruzat, alias "German II" (dead)
5. Elizabeth Gonzales Otoya Santisteban, alias "Aurora" (imprisoned)
6. Margie Evelyn Clavo Peralta, alias "Nancy"

(fugitive)
7. Teresa Duran Araujo, alias "Doris" (fugitive)
8. Yovanka Pardave Trujillo, alias "Sarah" (dead)
9. Laura Zambrano Padilla, alias "Renee" (imprisoned)
10. Osman Morote Barrionuevo, alias "Nicolas" (imprisoned)
11. Margot Liendo Gil, alias "Noemi" (imprisoned)
12. "Marcelo" (fugitive)
13. Elvia Nila Zanabria Pacheco, alias "Juana" (dead)
14. "Remigio" (fugitive)
15. "Ramiro" (fugitive)
16. "Pepe" (fugitive)
17. Edmundo Cox Beuzeville, alias "Federico" (imprisoned)
18. Gerardo Saenz Roman, alias "Claudio" (fugitive)
19. Luis Ostap Morote Barrionuevo, alias "Luis" (fugitive)
1.3) Alternate Members:
20. Tito Roger Valle Travesano, alias "Eustaquio" (dead)
21. Friolan Orestes Clavo Gonzales, alias "Augusto" (fugitive)
22. Carlos Alberto Hidalgo Marchand, alias "Omar" (fugitive)
23. Judith Ramos Cuadros, alias "Rita" (fugitive)
24. Victoria Obdulia Trujillo Agurto, alias "Elizabeth" (imprisoned)
25. Julia Marlene Daniles Alvarado, alias "Valia" (fugitive)

* Dissension Within Shining Path Viewed

94WR0006Z Lima SI in Spanish 13-19 Sep 93 pp 24-27

[Unattributed article: "The Disaster"]

[Text] There is every indication that the countdown for the Shining Path [SL] has begun. The wave of attacks that SL planned to carry out last week failed, and the division in its ranks abroad is a fact.

The anniversary of Abimael Guzman's capture has caught his party in a crisis regarded by some as terminal. The diagnosis reflects a real trend, but one that does not seem destined to conclude in the short term. We are witnessing a slow disaster for Shining Path, not its sudden death. Both the blows from the repression and the serious conflict that has arisen abroad indicate a fatal process for SL, but this does not mean that it is at the brink of disappearing. One possible proof of this may be its recent massacres and, particularly, a meeting due to be held somewhere in Arequipa as these lines are being written.

It is a plenary session of the reestablished Central Committee. The meeting was initially scheduled for Huancayo, but some effective strikes by the law enforcement agencies made that impossible. After the Central Committee's reorganization, it is planned to form a Political Commission (Bureau), which will have to meet separately with the regional delegates. Abdon Cruzat Cardenas reportedly will attend, representing the Lima Region.

The major topics at the meeting will, of course, be the defense of Guzman's life and the struggle against the dictatorship of President Fujimori, "sash-wearing Fujimori," in Shining Path jargon. What is still unknown is what they might decide regarding action for the coming months: the ones remaining until the centennial of Mao's birth in December of this year.

In any event, SL's bloody acts during the past few weeks have had especially cruel features; but they also reveal a social and political target at which it is aiming on a regular basis: the campesinos in the sierra and the settlers in the jungle who have returned to their land. This indicates that there is a reestablished commando group whose focal point has not yet been located.

The problem for hining Path (as for any other force) is that power does not emerge from the rifle, but rather from the political will of the social bases and the combatants themselves. Forgetting that caused Shining Path, first, to lose the campesinos in Ayacucho and Huancavelica; and, now, to face an internal crisis that could prove more devastating than the official repression.

The most forceful hammer-blow in that internal struggle occurred in Upper Huallaga, where one of the highest military commanders, "Comrade Daniel," has just escaped, loaded down with $200,000 of the dues collected from drug traffickers.

The recent defection has produced others in an avalanche, at the very point considered by some as Shining Path's last stronghold. It is to some extent a repetition of what happened previously to the MRTA [Tupac Amaru Revolutionary Movement], in connection with the dollars from coca.

Intelligence reports indicate that, on the rural level, Abimael Guzman's organization has suffered a process of dismantling and desertion on all levels: combatants, militia, and bases. Faced with that hemorrhaging, the regional leaderships have begun promoting commanders who are still inexperienced, without sufficient political and military training. Previously, the standard for combatants was over two years of experience. Now, there is greater improvisation. In the past, according to intelligence reports, it was very difficult to capture any of the perpetrators after an attack. Now, the entire cell is caught in 30 days.

While it is not easy to make up for human resources, it is equally difficult to compensate for the logistical deficits caused by the seizures of arms and explosives that have occurred, one after another.

A literal trial by fire for Shining Path, with regard to its chances of surmounting the crisis, will occur within a few days. It had scheduled an "assault wave" from Friday, 10

September until Monday, the 14th. By the close of this edition, the plan proved a failure, at least in Lima.

The actions reportedly were to be of four types: holdups of banks; attacks only on police units, using car bombs or direct assaults; armed propaganda, consisting of the dissemination of flyers and pennant displays with booby traps; and seizures of public premises, including markets.

So much for the violence. The occasion could also serve to enable the two lines struggling within the Shining Path to gauge their forces: lines that have crossed swords, directly, on the pages of this year's July-August edition of EL DIARIO, published in Brussels.

What EL DIARIO discloses in its latest issue is an outbreak of the Maoist organization's crisis abroad. The title of the pertinent article is revealing: "The Secret Society of Charlatans." According to the SL spokesman, the latter's chief is none other than Maximiliano Duran Araujo, the Ayacuchan physicist residing in Paris. He is one of the founders of Shining Path, considered by many the likely successor of Abimael Guzman, in the event of the latter's death or imprisonment.

Referring to a U.S. Maoist who accuses Arce Borja of sectarianism, the text states: "Rick Angell defends the vulgar saboteur, Maximiliano Duran." Another jibe refers to: "The 'lumpen-like' (sic) activity of Maximiliano Duran...", etc.

Leaping into the arena from London was Adolfo Olaechea, the member of the London Sun of Peru Committee, asserting solidarity with Luis Arce and attacking his opponents, those of the Duran line.

Amid a dogmatic jargon worthy of the 1950's or 1960's, what one discerns is a struggle between the militarist line of Guzman's faithful followers, including Luis Arce, and that of Maximiliano Duran and others, who apparently prefer both a political and a military action.

Among the surprises in EL DIARIO is the disclosure that Duran is not alone abroad. "If we add Duran's effort to that of Rick Angell, Sabina Astete, "El Tractor," and other elements, it turns out to be a gang with international ties, which must be fought implacably without any consideration."

Hence, the "people's war," promising bloodshed, has been declared among the members of Shining Path in exile.

Shining Path Internal Division Reported

94WR0006Y Lima SI in Spanish No 342 20-26 Sep 93 p 16

[Unattributed article: "Subversion in Retreat"]

[Text] While the MRTA [Tupac Amaru Revolutionary Movement] is virtually liquidated, signs of division and continous debilitation are appearing in SL [Shining Path].

On Thursday, 16 September, in Tingo Maria, Jose Luis Soto Garrafa, alias "Eloy," an intermediate commander of the Tupac Amaru Revolutionary Movement and ringleader of one of the last groups continuing to operate in Huallaga Valley, was introduced as a repentant person.

The introduction was made by the head of the Armed Forces Joint Command and Army commander in chief, General Nicolas de Bari Hermoza Rios, himself. On 31 July, he had reported the survival of four small MRTA groups, each consisting of six or seven men, who were still moving about, almost lost, in Huallaga Valley. One of these groups was commanded by "Eloy" who, it was learned, surrendered early last week, although the news of his decision was withheld, to be announced on Thursday.

"Eloy" had been spotted, before his surrender, near Huayabamba, in Upper Huallaga, without logistical backup or food supplies. The law enforcement agencies think that he was in command of the detachment named for Rodrigo Galvez. The other two regional chiefs, "Miguel" and "Valverde," who are still at large, reportedly escaped from the area. Surrendering with "Eloy" were Ronel Pinchi Pinchi, alias "Tito"; Baudilio Vasquez Vasquez, alias "Baudillo"; and Ivonne Sayima Loayza, alias "Karina."

The devastated subversive forces now commanded by Nestor Cerpa Cartolini, who is probably set up in Lima, have suffered even more casualties lately. On Saturday, 11 September, in a confrontation with the Army in the village of Pampas del Inca (San Jose district, Alto Jaen, Cajamarca), seven MRTA members were brought down by a patrol from the Fifth Infantry Division.

Returning to San Martin, reporters from the area warn of the probable displacement of SL groups to Middle Huallaga and Lower Huallaga, as well as Alto Mayor, following the coca route, with the intention of filling the gap left by the MRTA. At the beginning of September, in the vicinity of Tarapoto, in Cuninbuque and Juan Guerra, Shining Path cells reportedly engaged in armed propaganda action, but were driven out by the patrols.

Marking a year since the capture of its chief, Abimael Guzman Reynoso, also on a Sunday, 12 September, Shining Path committed five attacks in Lima against banking agencies (Credit and Wiese), with negligible effect. On Wednesday, 15 September, in Inti (Valle del Monzon, Tingo Maria), a Shining Path column attempted to ambush an Army patrol, with a toll of 20 subversives killed. There was one casualty among the law enforcement contingent.

The terrorist group persisted in its action on Thursday, 16 September, in Lima, when, at 0750, a commando

group shot two police lieutenants, Ismael Lores and Raul Reyes, instructors at the Petty Officers School.

None of this has managed to conceal the split that has occurred in the SL leadership, between those favoring a retreat that would benefit the captive Abimael Guzman, and those who would offer no truce. The split has started to become public knowledge in flyers.

Election Board Publishes New Rules for Referendum

PY2110172293 Lima EL COMERCIO in Spanish 1 Oct 93 p A5

[Text] The National Election Board [JNE] yesterday published the "text ruling the referendum," which establishes the main and specific law that will rule the referendum to which the new draft constitution will be submitted next Sunday 31 October.

Its 50 articles refer to voting, the vote count, objections, the role played by party representatives, the departmental vote tally, voting abroad and in the country, and the electoral campaign.

The electoral law is signed by Cesar Polack Romero, president of the JNE, and by its other members Juan Chavez Molina, Gustavo Palacio Pimentel, Benjamin Padilla Bazan, and Raul Izquierdo Puell, but not by Pedro Loli Marquez, who represents a vote of exception.

The text ruling the referendum reaffirms that Peruvian citizens older than 18, resident in the country or living abroad—and registered in the electoral list of Peru—are obliged to come to the voting tables to cast their vote on the constitutional amendment project.

For citizens older than 70, as provided for by the current Constitution, the fulfillment of this obligation is optional.

The text also describes the powers of representatives of political parties and of independent organizations, as well as members of the voting tables and officials from departmental electoral boards, whose resolutions on annulments or other measures are final and unappealable.

It adds that political parties, coalitions, and independent groups that participated in the general, municipal, and regional political electoral processes, as well as those participating in the elections for the Democratic Constituent Congress, will be able to designate one representative and one alternate member. Representatives are of either a general or of a private nature.

Those of a general nature will be able to submit to the National Election Board the annulment requests submitted by the departmental boards, and decide on the objections or annulments submitted to voting tables abroad.

The JNE plenum will make decisions on these requests in an immediate manner.

Representatives of a private nature will only have powers to work with the departmental electoral board or at one voting table.

The JNE, the departmental board, and the voting table will register, respectively, the designated representatives.

Those accredited to the voting tables will be able to object only to the identity of the voter, the authenticity of ballots, or the voting and vote counting records. They will also be able to object to material errors and errors in numbers at the voting tables and in the registration records, as well as to adulterations that might affect the validity of the vote.

Members of the voting tables will be able to resolve these objections as they appear, or in other cases at the end of voting.

Once the members of the voting table rule that the challenged ballot is valid and the representative who challenged the ballot accepts this ruling, the vote will be considered valid and can no longer be challenged, objected to or appealed against at any other level or court.

The challenged votes on which no agreement is reached will be placed in a sealed envelope and sent to the next level, that is, the departmental electoral board, without including the vote in the tally. The decision of the departmental electoral board will be final, and may not be appealed or reviewed.

The representatives accredited to the departmental boards can object only to the authenticity of the documents received by the voting tables, in the envelopes with the votes objected to; the installation, voting, and tally records; material errors or errors in numbers committed in the vote counts of the departmental boards; as well as any adulterations of the results that might affect the tally of departmental boards.

Concerning the vote tally, the rule specifies that the departmental electoral boards will begin the vote count the same day, at the end of the voting, in permanent public sessions.

To be considered valid for the national tally, all electoral records of Peruvian citizens who are living abroad will be transmitted via fax by the consular offices in the different countries to the National Election Board, following resolutions of any objections or annulments.

Venezuela

Foreign Ministry Supports Joining Action Against Haiti

PA2110213693 Caracas EL NACIONAL in Spanish 20 Oct 93 p A-2

[Report by Jose Vicente Ponce]

[Text] The Foreign Ministry [MRE] has drafted a confidential report for the executive on why Venezuela should participate in a military operation against Haiti. The report, to which EL NACIONAL has had access, was submitted to President Ramon J. Velasquez for his consideration and approval. Any action in this regard needs the approval by the National Congress, according to the document, and is a matter that falls within our purview.

The report does not contradict recent statements on the matter by President Velasquez and Foreign Minister Fernando Ochoa Antich, since it refers to collective action by the members of the United Nations and not to unilateral action by the United States. Within the legal considerations that would support the Venezuelan action, the report outlines as follows:

Venezuela is a friend of Haiti, as are Canada, France, and the United States.

Venezuela is a member of the UN Security Council and the resolution for multilateral action was adopted unanimously by the Council, although the resolution is not binding and only makes the invitation to participate. The blockade is occurring in Latin America. The Venezuelan Constitution allows it.

Jeffrey Davidow, the new U.S. ambassador to Venezuela, was asked about this matter at the MRE building. He discussed the topic of Haiti with Foreign Minister Ochoa Antich. "We are going to talk about Haiti and other matters of mutual interest," he said.

[EL NACIONAL] Will the United States ask Venezuela to participate with ships?

"This not a matter of the United States, the embargo is a UN matter," the diplomat stated. This was his first meeting with the foreign minister, whom he had already met in Washington.

On Tuesday, Alberto Casas Santamaria, the new Colombian ambassador in Venezuela, also visited the MRE and announced the meeting of the Presidential Commission on Border Affairs [Comision Presidencial de Asuntos Fronterizos—Copaf] will not be held in Caracas but in Bogota on 21 and 22 October.

Venezuelan Ambassador to Cuba Gonzalo Garcia sent an explanation yesterday to the MRE regarding the three Cubans who trespassed in the embassy. According to Garcia, these citizens took advantage of the moment when a Venezuelan Embassy official was entering the building on 7 October at 0900 to enter the grounds. Because the official is on crutches following a recent operation, the gate has to be completely open, and that is when the Cubans entered the Embassy. They knocked her to the ground, and she had to be taken to a hospital later.

Counselor Gustavo Matheus and local personnel were at that time at the Embassy. Once inside, the Cubans violently went to the Consular Section to open the door (but were unsuccessful) and allow in their relatives who were waiting on line to process consular documents.

Because of Matheus' intercession, two Cubans voluntarily left the embassy. The third one attacked a local staff member, which is why the Embassy guard was asked to intervene. The first two were only inside the embassy for five minutes, and the third one stayed 10 minutes. Because they stayed for such a brief period, nobody asked them their names, and they did not identify themselves.

Once the incident was over, Matheus informed Garcia who was in his residence handling an official visit. Once alerted about what happened, Garcia went immediately to the Embassy and supported the actions by the counselor. In his letter to the MRE, Garcia indicates he has taught international law for many years and recognizes and respects diplomatic asylum, so long as the requirements for it are met.

Foreign Minister on 'Moral Support' for Haitian Blockade

PA2110160493 Caracas Radio Caracas Television Network in Spanish 0200 GMT 21 Oct 93

[From "The Observer" newscast]

[Text] For the time being, Venezuela will only give moral support to the UN blockade of Haiti. Foreign Minister Fernando Ochoa Antich made the announcement at the Miraflores Palace after swearing in the new Venezuelan ambassadors to France and Peru, General Jose Antonio Olavarria, retired, and Horacio Arteaga, respectively.

[Begin Ochoa recording] We support the resolution to restore sanctions against the de facto government of General Raoul Cedras because it failed to observe the Governors Island Agreements. Venezuela has supported that position and continues to support it. We are analyzing and making the necessary consultations but for the time being we do not believe it is necessary to expand our support. [end recording]

National Reconstruction Candidate on Tax, Soldier's Release

PA2110214493 Caracas Venezolana de Television Network in Spanish 0150 GMT 21 Oct 93

[Statement by Jose Antonio Cova, presidential candidate of Venezuela's New Democratic Generation Party and National Reconstruction Movement—live or recorded]

[Text] Friends. This evening we are going to talk about the value-added tax, IVA. It has been 20 days since it was enacted, and the government has still been unable to explain how it will be implemented and how it will work. We have seen how speculators of all kinds have already begun to appear. Whose fault is this? Is it the government or the legislators? I believe the legislators are responsible here. For four years the lawmakers were

telling us about new taxes and new measures. From time to time, they threatened us with IVA with no further explanation than that it was a necessary new tax, a new sacrifice we Venezuelans would have to make—particularly middle class and lower income Venezuelans. The truth of the matter is that they did not come to any decision on this for four years. Not until the president was granted special powers did they realize they had to hurry. Hence, in an overnight move, they approved the IVA.

Who pays the IVA? It is said that the importers should pay. It is said that the producers should pay. It is said that the retailers should pay. In the end, the one to pay these IVA's, as there are several IVA's paid along the way, is the end consumer. We are now speaking of 30 or 40 percent. It is unfair to weigh people, who are going through such a critical situation as ours, with a new burden. This is why I have asked President Velazquez to repeal this law and allow the new president to implement a consumer tax instead, but only after carrying out a serious and coherent assessment, based on procedures already in place in other countries. Those who consume the most must pay the most, not what it occurring now in Venezuela, where all this extra weight has been distributed among all Venezuelans. This is unfair. It is unfair from an economic point of view and from a social point of view.

I would like to address another issue, which has gained significant importance this week. In the press we have seen the defense minister, speaking in his own name and, I am sure, on behalf of the president, announcing that 10 soldiers will be released under a presidential order. These 10 soldiers—officers of our armed forces—were involved in the 4 February 1993 and 27 November 1992. The Venezuelan people, by a great majority, welcomed the move. We received the news with gladness. I had already requested that the measure benefit all the soldiers, but the minister and the president believe that this is a first step toward releasing the others in the near future.

Immediately after, former President Carlos Andres Perez Rodriguez says that pardoning the coupists would offend the National Armed Forces. Carlos Andres Perez seems to have confused democracy with himself. He is confusing the Armed Forces with himself. I believe Carlos Andres Perez should act more wisely. He must act with greater discretion and common sense. He must realize that the Venezuelans want to live in a state of reconciliation, where there are no more persecutors or persecuted; where Venezuelans can have faith and hope in this new democracy.

The time has come to once again ask Carlos Andres Perez to refrain from creating difficult situations such as the one we experienced on Monday.

Presidential Hopeful Caldera on 'National Agreement'

PA2110142493 Caracas EL GLOBO in Spanish 18 Oct 93 p 3

[Text] Presidential candidate Rafael Caldera said in Altamira de Caceres, Barinas State, that the people do not want an alleged "National Agreement" among the top leaders of Copei [Christian Democratic Party] and Democratic Action with Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry]. Rather, the people want a broad and true National Agreement that already is genuinely represented in the National Convergence that supports his candidacy for the presidency of the Republic.

Caldera also reiterated that if he has been "exposed" [pillao], as published in some media ads, Oswaldo Alvarez Paz, the official Copei candidate, is a "boot-licker."

Caldera attended the 20th anniversary of the Santo Domingo river hydrological complex that was inaugurated during his administration. Caldera named the complex "Jose Antonio Paez." He was invited to be the main speaker by the pro-Altamira de Caceres board, chaired by Freddy Garces. Caldera spoke at a solemn session summoned by Altamira Mayor Julio Briceno, in the city's Bolivar Plaza.

Caldera recalled that when he took office in 1969, he found that a construction contract had already been signed for the hydrological complex. He had not been advised previously, although the contract had been signed when he already was president-elect. Caldera explained, however, that to benefit the nation and for its service, he accepted the situation. He said: "Let's go ahead and construct the hydrological complex in benefit of Barinas and its neighboring states." Currently this is the case because the towns of Occidente make use of this source of electricity.

Caldera also recalled that with a 14 billion-bolivares national budget, the "Jose Antonio Paez" hydrological complex was built. Meanwhile, with a 3.02 trillion bolivares 1994 approved budget, the construction of the Uribante-Caparo complex has not been concluded yet. This is an example of inefficiency, waste, excessive public spending, and corruption that have characterized the governments of Carlos Andres Perez and other presidents.

Caldera pointed out that given the nation's current situation, at 77 he decided to take up once again the struggle in favor of Venezuela and this is why the people favor him. This, he noted, is expressed in the polls conducted by the country's most serious companies. The majority of Venezuelans are firmly convinced that I represent the alternative of honesty, work, sincerity, drive, and love of the nation, the National Convergence candidate assured.

Nevertheless, he warned that he cannot offer miracles to the people nor can he tell them that if he is elected president he will immediately reduce the cost of living, or that there will be jobs and facilities for all Venezuelans.

Promises To Cut Public Spending

PA2110215393 Caracas Venezolana de Television Network in Spanish 2350 GMT 19 Oct 93

[From "The News" newscast]

[Text] National Convergence presidential candidate Rafael Caldera announced before Venezuelan Oil Chamber [Camara Petrolera de Venezuela] board members that if elected, he will cut public spending by 10 percent without lowering salaries or raising the country's unemployment level.

[Begin Caldera recording] I will review a number of less important expenses in all offices and all at levels. Some may be superfluous or exaggerated, and others that may postponed. [end recording]

Declines Participation in Debate

PA2110225993 Madrid EFE in Spanish 2122 GMT 20 Oct 93

[Text] Caracas, 20 Oct (EFE)—Former Venezuelan President Rafael Caldera refused on Wednesday to participate in a televised debate with other presidentidal candidates. He felt that this sort of event would contribute little to the current electoral campaign, which has been marked by a harsh war of accusations. Speaking to Radio Capital, Caldera, the presidential candidate for the National Convergence, declined "to get into a wrestling match" with other presidential candidates.

The Christian Democratic politician regretted that a "dirty war" has prevailed in the current electoral campaign for the 5 December elections, referring to the "filthy and vile things that have been printed and used against one another." The former president (1964-69) [dates as received; Caldera was the Venezuelan president from 1969 to 1973] leads in the surveys as the most likely to win the elections in a field of 17 hopefuls who have registered their candidacies with the Supreme Electoral Council.

Caldera also harshly criticized the bias of some news media, particularly a television station that he did not identify that is "totally committed to the candidacy of Oswaldo Alvarez Paz" of the Social Christian Party [Copei]. Caldera, the founder of Copei, was expelled from that party after he launched his candidacy, going over the party's head with the support of 17 political organizations that range from rightist to communist.

Former followers of Caldera, who served as Copei's leader for over four decades, have criticized him for accepting the support of the Communist Party of Venezuela and other leftist organizations, the same ones he combated in the 1960's when the guerrillas were active. Caldera said that if elected he will completely overhaul the Venezuelan tax system, security corps, and state apparatus. He also promised that his government will be known for its austerity in this time of economic crisis with a fiscal deficit of over $3,000 billion in 1993, which he described as "the most urgent problem" in the country.

"The country demands a serious, responsible, and honest government," Caldera indicated, warning that if he wins he will have an austere inaugural ceremony, since "I do not want a coronation," an apparent reference to former President Carlos Andres Perez, who invited over 2,000 international personalities to his 1989 inaugural.

* Munoz Comments on U.S. Visit, Davila Case

93SM0444A Caracas EL NACIONAL in Spanish 10 Sep 93 p D4

[Interview with the Venezuelan defense minister, Vice Admiral Radames Munoz Leon, by Sylvia Popoli; in Washington, date not given]

[Text] Washington—The Venezuelan defense minister Vice Admiral Radames Munoz Leon is concluding a visit to Washington during which he has met with several officials of the United States Government, and during which the personality of the new American ambassador-designate to Caracas, Geffrey Davidow, has shone.

The minister accorded special relevance to his talks with the American diplomat, whom he finds to be familiar with the country, conscientious, knowledgeable, and receptive to dialogue in the solution of problems between the two nations.

The ambassador-designate awaits only U.S. Senate confirmation of his appointment to move to Caracas around the end of September.

The defense minister talked with EL NACIONAL on various aspects and impressions of his visit, and on other topics concerning the Venezuelan situation.

[Popoli] What perception of the Venezuelan Armed Forces have you encountered in the United States?

[Munoz] The message I have received is that they consider, and have shown that they consider, our Armed Forces to be serious-minded and a very professional armed force; and that they have counted on this in the initiating of a number of harmonious relations and joint programs.

[Popoli] Did they at any time manifest the possibility of an economic embargo against Venezuela in the event of a potential interruption of the democratic system?

[Munoz] At no time. They defined their position as defenders of democratic systems. That is their line of conduct and it is understandable. We are not in a

position to offer the United States a system that is not democratic. And we have neither the desire, nor the tendency, to seek power. Nor did we speak of the matter, simply because we did not come here for that purpose. We came here simply to confirm the democratic leaning of our Armed Forces, and in particular that the defense minister guarantees this to be the case.

[Popoli] What support has the United States offered you in the fight against the drug traffic?

[Munoz] I believe this is a time for definitions, and one of the important definitions is a determination of whether or not the joint programs we now have are indeed effective, and whether the United States desires to undertake that commitment together with Venezuela. We in the Armed Forces are determined to carry it out. We have been open to dialogue, and we truly want to see it materialize.

[Popoli] Did the Guillen Davila case chill relations between the DEA [Drug Enforcement Administration] and the Venezuelan National Guard?

[Munoz] I believe that the case of General Guillen Davila has shifted to another plane: that of elucidation of the problem in the Venezuelan courts. The United States must submit the necessary evidence so that the case can be resolved on the basis of law, justice, reason, and the logic of all that has been developed to date. Both countries need to make adjustments with respect to controlled deliveries.

[Popoli] What kinds of problems are there between the DEA and the Venezuelan National Guard?

[Munoz] I do not believe there are any problems. There may be a lack of clear definitions as to how things are to be done effectively. The current differences are not in the area of ideology or levels of thought. The difference in this case lies in the fact that the National Guard, jealous of its responsibilities, wants to increase the effectiveness of its operations, and this means that the DEA and all organizations having to do with the fight against drugs must take a clear-cut position of support for the National Guard, in order to press the fight.

[Popoli] It has been said on several occasions that the United States has identified financial institutions that launder dollars in Venezuela. Why has this matter not been thoroughly investigated?

[Munoz] First of all, we must go back to the law on the use of drugs. It is specifically designed for the fight against drugs. I believe it is a law that must cover the legal aspects involved in a new situation such as the laundering of dollars. While it is true that the DEA has discovered some of these entities, it is also true that the banking association in Venezuela, which has a great sense of responsibility, is in permanent contact with the DEA, enabling it to reject this new system that is operating in the country.

In this regard, we have taken steps so that the National Guard as well as the Judiciary Police and other organizations involved in the fight against the drug traffic, such as the DISIP [Directorate of Intelligence and Prevention Services], will have authority and sufficient knowledge to address the problems of dealing with dollar laundering in Venezuela. And with our new legislation, I believe we are on the right track.

[Popoli] Relative to the internal problems of the Armed Forces, what is the current situation with respect to the intermediate officer grades?

[Munoz] What I can say is that we have instituted a new leadership policy centered on understanding the thinking of the officer corps, the professional troops, and the noncommissioned officers, and on repairing those links among us that had become broken, that lack of communication, and the credibility that has been lost in the past with respect to the higher levels of command. We have preached by way of example, and we have sought in this instance to develop a clear-cut solidarity based on this line of thought, which, for the Armed Forces, represents support of the democratic system.

[Popoli] With respect to the recent killings of Yanomami Indians by the Brazilian *garimpeiros* [prospectors] on Venezuelan soil, what is happening at the Venezuelan border, and what do you see as a solution to problems such as these?

[Munoz] The problem is complex. The first step that needs to be taken is to overhaul the Judiciary's manner of proceeding in this area, because, as you know, the last time around, we captured 40 *garimpeiros*, and days later they were out on the streets again, as a result of a judge's technical arguments. I cannot be sure whether that judge sees justice as a technical process, or as a personal process, or from the standpoint of a national crisis.

This situation calls for reaffirming before the national community the true intent of the government and of the Armed Forces to defend, with propriety, our territory and our sovereignty, and for bringing this genocide to the world's attention. It also provides sufficient legal justification for definitive action on the part of judges, who had heretofore not perceived the magnitude of the problem, to bring the full weight of the law to bear on this problem, so that this situation will not repeat itself.

* Official Announces Internal Reorganization

93SM0443B Caracas EL NACIONAL in Spanish 8 Sep 93 p D1

[Article by Hernan Mena Cifuentes]

[Text] Interior Minister Carlos Delgado Chapellin announced at a press conference that an audit of the Department of Identification was being conducted, as well as the reorganization of the aliens office and of the

Disip [Directorate for Services of Intelligence and Prevention], which would both be merged to form the General Directorate of Police and Aliens, as it existed 56 years ago, in 1937.

Delgado Chapellin pointed out that in view of the accusations made by the prosecutor general of documentation and those made by the public prosecutor, the interior minister agreed to intervene in the Directorate of Identification by means of a special commission "to guarantee to all Venezuelans, to all political parties, and everyone who is going to take part in the coming elections the cleanest and most efficient management in the issuance of identity documents."

Delgado Chapellin explained some of the irregularities detected and reported in the directorate, including the use of a different photograph than that of the card's owner, falsification and delay in the issuance of the documents.

He also disclosed that the modernization plan being prepared for the identification services has been suspended "until the new government approves, with sufficient consideration, the new contracts and the plan that can be developed to improve service."

"We are going to do our duty," he declared, "and hand over an identification service in excellent condition, and to do that, the first thing that must be done is to reorganize, so that the fingerprint archives can be computerized.

He then stated that the commission that will audit the Directorate of Identification will be made up, initially, of Vice Minister Ezequiel Zamora, Commissioner Luis Martinez Guerra, and, possibly, Mauricio Pons, technician of the Supreme Electoral Council.

With regard to aliens—he pointed out—we will make a thorough reorganization of that directorate while we are conducting the reorganization of the Disip. We are considering the possibility of unifying it into a General Directorate of Police and Aliens, as it was originally in 1937 and include both services: a state security service, generally civil police, and an Alien Service, as in other countries of the world.

Delgado Chapellin pointed out that "the Venezuelan public administration services suffer from a general deterioration and they need reorganization and new management.

"These are on-the-spot reorganizations—but with the political will to see them through. The reorganization is being done precisely to attack the vices and corrupt practices to be found mainly in the Aliens Department, though in the Directorate of Identification, he added, we have seen abuses in the proliferation of identity documents and false passports.

On the other hand, when he was asked about the situation brought about by the alleged slaughter of ethnic Yanomamis in the southern region bordering Brazil, the minister of interior announced the reopening of the border posts operating under the Directorate of Aliens.

"We are going to create in Disip itself a kind of border directorate, parallel to the Directorate of Borders in the Foreign Ministry, to establish intelligence posts equipped with modern means of communication, so that the state is permanently informed about everything taking place."

With regard to the reported slaughter, he said, "We have to wait for more information. No one can comment about a matter and make certain assumptions that might be false."

"We see that the National Guard's report has turned up suddenly and states that the massacre is not even confirmed: we cannot make statements based on hypotheses."

"What I really want to say in general is that the Venezuelan borders have traditionally been quite neglected, and the southern border by its very nature is in such a state that it requires urgent measures, such as the creation of intelligence posts and other measures for the protection of the environment and indigenous ethnic groups, against clandestine entries.

When asked about the investigation into the terrorist attacks of recent weeks, the minister replied that, as he had previously announced, the police are working on each of the bombing incidents, and there will be arrests.

"I believe that they are going to get the perpetrators of each one."

* Human Rights Group Reports Police Abuses

93SM0444C Caracas EL NACIONAL in Spanish 11 Sep 93 p C4

[Article by Alberto Cova]

[Text] At least 59 persons died at the hands of our country's state security organizations, during the months of March, April, and May of this year, according to the Support Network for Justice and Peace, a nongovernmental human rights defense organization founded in 1985 by missionaries of the Mary Knoll Order.

Of that number, 36 persons were victims of extrajudicial executions, nine died in alleged shootouts, and four died as the result of repressive measures applied by agents responsible for enforcing the law and whose primary mission should be the protection of the citizens.

The Support Network for Justice and Peace was founded as a result of the assassination of young Freddy Dugarte by agents of the DISIP [Directorate of Intelligence and Prevention Services] on 11 September 1985, in the Nuevo Horizonte [New Horizon] district. At that time, the New Horizon community was being subjected to constant harassment by the police forces, owing to the fact that many families had moved into the district after

having become the victims of an accident or disaster. Freddy Dugarte was shot in one leg in front of a house in the district, picked up by agents of the DISIP, and put into a patrol car. The Mary Knoll missionaries together with members of Freddy's family began visiting all the hospitals in search of the young man. Several days later they found his body in the morgue with a coup de grace administered in the neck. Since then, the support network has been working together with the families of victims of police abuses on the long road to justice.

Today is the eighth anniversary of that sad but commonplace event in democratic Venezuela, and to mark this anniversary, the support network has launched a new publication titled "Human Rights in Figures," which compiles month-by-month graphical statistics on executions, tortures, arbitrary detentions, and official entries and searches, from reports appearing in the national and regional presses.

According to the publication, created as an instrument of analysis of the human rights situation in our country, the security organizations that most often appear involved in these violations are the state police and the Metropolitan Police of Caracas. Of 23 reports regarding persons who had lost their lives in March, as a result of actions by police agents, 52 percent indicated that the responsible agent belonged to one of these police organizations. During April and May, the situation was the same. The figures also reveal that in the majority of cases, the agents committed these crimes in the exercise of their functions while on duty.

The bulletin published by the Support Network for Justice and Peace, also reveals another worrisome reality. During March, April, and May, there were 166 reports of torture, of which 99 were of an individual nature, and 27 were collective. These figures include reports concerning persons who were subjected to physical mistreatment of any type, regardless of the seriousness of the lesion inflicted, since in the view of the support network even goading, by means such as the application of electricity, constitutes torture.

Torture methods used by the police organizations include blows with blunt instruments, threats, whippings, sexual abuse, wounds with sharp instruments, and other methods such as suspending the victim, tying him up, or applying electricity.

Juan Navarrete, lawyer for the support network, affirms that these figures reveal the behavior of the security organizations, which, instead of protecting citizens, inflict all sorts of mistreatment on them by way of police abuse. Navarrete says that disciplinary as well as judicial procedures are so slow that they actually promote the impunity of agents in such cases. A case in point is the trial of Freddy Dugarte's assassins. It has become undermined, and a warrant for the detention of the culprits has not been issued.

"The abusive treatment of the inhabitants of public housing sectors by police agents is a very frequent, an almost normal occurrence, especially in the case of youths during so-called police operations or roundups, instruments of the so-called process of 'social prophylaxis.' The security organizations continue mistreating and assaulting, not only in roundups, but also in detentions and official entries and searches, committing numerous abuses and excesses in the carrying out of these functions, that degrade human dignity and are unconstitutional."